

PROPOSED CONFERENCE REPORT NO. 1
AUGUST 24, 1998

AMENDED IN ASSEMBLY JULY 13, 1998

AMENDED IN ASSEMBLY JULY 8, 1998

AMENDED IN ASSEMBLY MARCH 3, 1998

AMENDED IN ASSEMBLY JULY 2, 1997

AMENDED IN SENATE JUNE 3, 1997

AMENDED IN SENATE APRIL 1, 1997

AMENDED IN SENATE MARCH 13, 1997

AMENDED IN SENATE MARCH 6, 1997

AMENDED IN SENATE FEBRUARY 25, 1997

SENATE BILL

No. 50

Introduced by Senator ~~Karnette~~ *Greene* and Assembly
Members Villaraigosa and Olberg

***(Principal coauthors: Senators Alpert, Johnston, Karnette,
and Polanco)***

(Principal coauthors: Assembly Members Aguiar, Baca,
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(Coauthors: Assembly Members Figueroa, Knox, Perata,
Strom-Martin, Vincent, and Wright)

December 2, 1996



An act to amend Sections 17260, 17262, 17303, 17305, 17306, and 17620 of, to add Sections 17009.3, 17009.5, 81134, 81135, and 81136 to, to add Chapter 12.5 (commencing with Section 17070.10) to Part 10 of, to add Part 68 (commencing with Section 100400) to, to repeal Section 15101 of, and to repeal and add Section 17261 of, the Education Code, to amend Section 1003 of the Elections Code, to amend ~~Sections and 4420 and 65995 of, to amend and repeal Section~~ *Sections 65995 and 65996 of, and to add Sections 4420.5, 65995.5, 65995.6, 65995.7, and ~~65996~~ 65997, and 65998 to, the Government Code, and to add ~~Chapter 8 and repeal Chapter 9~~ (commencing with Section ~~50700~~ 51450) to Division 31 of the Health and Safety Code, relating to education facilities, making an appropriation therefor, and by providing the funds necessary therefor through an election for, and the issuance and sale of, bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 50, as amended, ~~Karnette Greene~~. Education: Leroy F. Greene School Facilities Act of 1998: Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998: school facilities construction: developers fees.

(1) Existing law prohibits an election on a bond measure of a school district or community college district within 45 days of a statewide election unless conducted at the same time as the statewide election.

This bill would repeal this provision.

(2) Existing law requires the State Department of Education to establish a pool of duplicate plans for school buildings appropriate for school districts in rural areas. Existing law defines school building for this purpose to mean a one-story schoolhouse of not more than 9 classrooms.

This bill would, instead, require the State Allocation Board to obtain construction plans for school buildings appropriate for school districts in the various climates and geographical conditions of the state requiring school buildings of various



sizes, would delete this definition of school building and would, instead, make the definition of school building set forth in the Field Act relating to seismic safety apply to these provisions, and would make other conforming and technical, nonsubstantive changes.

(3) Under existing law, known as the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (hereafter the “Greene Act”), the State Allocation Board (hereafter “the board”) is authorized to apportion state funding to applicant school districts for designated school facilities construction purposes.

This bill would prohibit the board from approving any projects pursuant to the Greene Act on and after ~~July 15~~ *November 4*, 1998. This provision would become inoperative on November 4, 1998, if the bond act described in ~~(5)~~ (6) is not adopted.

This bill would enact the Leroy F. Greene School Facilities Act of 1998, which would establish a new state program in which the board would provide state per pupil funding for new school facilities construction and school facilities modernization. This program would become inoperative on November 4, 1998, if the bond act described in ~~(5)~~ (6) is not adopted.

This bill would establish the 1998 State School Facilities Fund and provide for the continuous appropriation of funds deposited in that fund. The bill would establish a county school facilities fund for deposit of funding for approved projects. By requiring the establishment of this county fund, this bill would impose a state-mandated local program.

~~(3.5)~~

(4) Under existing law, the West Contra Costa Unified School District is ineligible for any state facilities funding for a period of 5 years from June 30, 1993, or until the date of the final payment of its entire debt to the state, whichever is later.

This bill would provide that, notwithstanding existing law, the West Contra Costa Unified School District shall be eligible for state school facilities funding on and after November 4, 1998.

~~(4)~~



(5) Existing law, the Field Act, requires a school district, prior to contracting for the construction or alteration of a school building, to obtain written approval of the construction plans by the Department of General Services pursuant to designated structural safety and other standards. Under an alternative plan review process, if the applicant so requests and the department is unable to commence review within 15 working days, the department is required to refer the review of the application to a qualified individual or firm under contract with the department.

This bill would permit certain local agency building officials to be qualified plan review firms for purposes of these provisions. The bill would permit an applicant to select a qualified plan review firm instead of having the department review the plans. The bill would require the department to contract with a sufficient number of qualified plan review firms. The bill would add similar provisions for review of community college district school building construction plans by the department under the Field Act.

~~(5)~~

(6) Under existing law, the Public Education Facilities Bond Act of 1996 provides for the issuance, pursuant to the State General Obligation Bond Law, of bonds in an amount not to exceed \$2,025,000,000 and the expenditure of the proceeds therefrom to provide aid to school districts, county superintendents of schools, and county boards of education in accordance with the Greene Act and related school facilities programs.

This bill would enact the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998, which, upon approval by the state electorate, would provide for the issuance of state general obligation bonds in an amount not to exceed ~~\$9,000,000,000~~ \$9,200,000,000, exclusive of refunding bonds issued pursuant to that act.

The bill would provide that ~~\$3,250,000,000~~ \$3,350,000,000 would be allocated beginning in the 1998–99 fiscal year for school district project funding related to the growth in enrollment of applicant school districts, prescribed reconstruction or modernization, and facilities-related costs



for class size reduction. The bill would appropriate the funds for these purposes. The bill would provide that ~~\$3,250,000,000~~ \$3,350,000,000 would be allocated in the 2000–01 fiscal year for similar purposes as described above and would appropriate the funds for these purposes. The bill would provide that \$2,500,000,000 would be deposited in the 1998 Higher Education Capital Outlay Fund, which would be established by the bill, with \$1,250,000,000 issued and sold after July 1, 2000, for higher education facility building construction and related expenditures when appropriated.

This bill would provide that notwithstanding any other provision of law, on the operative date of this bill, specified liens that have been recorded on school district property by the state would be released, and would prohibit the imposition of new liens on and after November 4, 1998.

This bill would declare that it is the policy of the state to exercise prudence in undertaking the sale of bonds otherwise authorized for sale by this bill or any other act, and would encourage undertaking the sale of bonds not to exceed a cumulative debt service to General Fund revenue ratio of 6% unless the sale is in the best fiscal interest of the state.

This bill would provide for the submission to the voters of the Class Size Kindergarten-University Public Education Facilities Bond Act of 1998 at the November 3, 1998, statewide general election.

~~(6)~~

(7) Existing law sets forth the exclusive methods of mitigating environmental effects related to the adequacy of school facilities when considering the approval or establishment of conditions for the approval of a development project under the California Environmental Quality Act (CEQA).

This bill would, notwithstanding any other provision of law, instead, set forth exclusive methods of considering and mitigating impacts on school facilities which occur or might occur as a result of any legislative or adjudicative act by any state or local agency involving, but not limited to, the planning, use, or development of real property or any change of governmental organization or reorganization. The bill would also on or after any statewide election in 2006, if a school



facilities general obligation bond measure submitted to the voters fails to be approved by the voters, set forth exclusive methods of mitigating environmental effects related to the adequacy of school facilities when considering the approval or the establishment of conditions for the approval of a development project under CEQA. These provisions applicable on or after 2006 would, when operative, make the provisions described in the first sentence of this paragraph inoperative.

~~This bill would establish a pilot program, administered by the Department of Housing and Community Development, to make payments to a developer of affordable housing as reimbursement for certain school facilities fees paid by the developer and would continuously appropriate \$80,000,000 from the General Fund to the department for this purpose.~~

~~This bill would establish a pilot programs to make payments to a developer who constructs owner-occupied housing that sells for \$110,000 or less or that is located in a county with an unemployment rate that equals or exceeds 125% of the state unemployment rate and produces 500 or more housing units per year, as reimbursement for certain school facilities fees paid by the developer and would continuously appropriate \$80,000,000 from the General Fund to the department for this purpose *Homebuyer Down Payment Assistance Program and a Rental Assistance Program to provide assistance in the amount of the applicable school facility fee on affordable housing developments. This bill would establish the School Facilities Fee Assistance Fund in the State Treasury and would provide that the fund is continuously appropriated to the Department of General Services. The bill would appropriate \$160,000,000 to that fund for the purposes of these programs, and would require the Department of General Services to contract with the California Housing Finance Agency for the administration of these programs and for allocation of these funds.*~~

~~(7)~~

(8) Existing law prohibits an officer or employee of the state, or of a public agency or public authority, or person, firm, or corporation acting or purporting to act on behalf of any officer or employee, from negotiating, making application for,



obtaining, or procuring any surety bond or contract of insurance, except contracts of insurance for builder's risk or owner's protective liability, that can be obtained or procured by the bidder, contractor, or subcontractor. Certain projects are excluded from this prohibition.

This bill would exclude a construction project undertaken by a public school district.

~~(8)~~

(9) Existing law authorizes a public agency to utilize owner-controlled or wrap-up insurance programs on a public works project if the total cost of the project is over \$125,000,000 and other prescribed conditions are met.

This bill would include a public school project within that authority to utilize owner-controlled or wrap-up insurance programs.

~~(9)~~

(10) Existing law authorizes certain local agencies to impose limited fees or other charges against certain development projects to fund the construction or reconstruction of school facilities. Under existing law, a building permit may not be issued for any development absent certification by the appropriate school district of compliance by the development project with the fee, charge, dedication, or other requirement levied by the governing board of that school district. Under existing law, for residential development, the limit on fees is \$1.50 per square foot and for commercial development the limitation is 25¢ per square foot excluding permissible adjustment for inflation. Existing law prohibits the legislative body of a local agency from levying development fees or other requirements for the construction or reconstruction of schools, other than pursuant to designated statutory authority.

This bill would provide that the fees are \$1.93 for residential development and 31¢ for commercial development, and would provide for subsequent adjustments for inflation. The bill would prohibit fees or other requirements for the construction or reconstruction of schools from being levied or imposed in connection with, or made a condition of, any legislative or adjudicative act, or both, by any state or local agency involving, but not limited to, the planning, use, or



development of real property, other than pursuant to designated authority. This bill would provide, in the case of residential construction, a governing board of a school district may increase the per square foot fee by an amount determined pursuant to a formula for the purpose of generating funds to match the state per pupil and site assistance grant for which the district is eligible to accommodate the projected number of new pupils attributable to the construction of new residential units as demonstrated by a school facility needs analysis. This bill would require the needs analysis to be adopted in accordance with specified notice and procedural requirements. This bill would, when state funds for new facility construction are not available, permit a governing board of a school district that may increase the per square foot fee, as described above, to impose a supplemental amount.

~~(10)~~

(11) Existing law provides for specific dates on which elections are required to be held, but exempts certain elections from those dates.

This bill would exempt elections held for school bonds from those dates.

~~(11)~~

(12) This bill would provide that certain of its provisions would not become operative before November 4, 1998, and on that date would only become operative if Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 is approved by the voters at the November 3, 1998, statewide general election.

~~(12)~~

(13) Existing law provides that a bond measure submitted to the people by the Legislature is required to appear on the ballot of the first statewide election occurring at least 131 days after the adoption of the proposal by the Legislature. Existing law provides for ballot arguments, press releases, the form of the ballot, public examination, and for the mailing of state ballot pamphlets to the voters, within specified timeframes, for measures that are to be voted upon.

This bill would require, notwithstanding these provisions or any other provision of law, the Secretary of State to cause the



Class Size Reduction Kindergarten-University Public Education Bond Act of 1998 to be placed on the ballot and submitted to the voters at the November 3, 1998, general election and to include in the ballot or supplemental ballot pamphlet information regarding the measure.

(13)–

(14) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(14)–

(15) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 15101 of the Education Code is
- 2 repealed.
- 3 SEC. 2. Section 17009.3 is added to the Education
- 4 Code, to read:
- 5 17009.3. The board may not approve any projects
- 6 pursuant to this chapter on and after ~~July 15~~ November
- 7 4, 1998.
- 8 SEC. 3. Section 17009.5 is added to the Education
- 9 Code, to read:
- 10 17009.5. (a) On and after November 4, 1998, the
- 11 board shall only approve and fund school facilities
- 12 construction projects pursuant to Chapter 12.5
- 13 (commencing with Section 17070.10).



1 (b) A school district with a first priority project that
2 has received a ~~construction phase approval by the board~~
3 *construction approval by the Department of General*
4 *Services, Division of the State Architect*, or a joint-use
5 project approval by the board, prior to ~~July 15~~ *November*
6 *4, 1998*, for growth or modernization pursuant to this
7 chapter shall receive funding pursuant to this chapter for
8 all unfunded approved project costs as it would have
9 received under this chapter, and the increased capacity
10 assigned to the project shall be included in calculating the
11 district's capacity pursuant to Chapter 12.5 (commencing
12 with Section 17070.10). Funds received for projects
13 described in this subdivision shall constitute the state's
14 final and full contribution to these projects. The board
15 shall not consider additional project funding except
16 where otherwise authorized under Chapter 12.5
17 (commencing with Section 17070.10).

18 (c) A school district with a second priority project that
19 has received a ~~construction phase approval by the board~~
20 *construction approval by the Department of General*
21 *Services, Division of the State Architect* prior to ~~July 15~~
22 *November 4, 1998*, for growth or modernization pursuant
23 to this chapter shall elect to do either of the following:

24 (1) Withdraw the application under this chapter,
25 submit an initial report and application pursuant to
26 Chapter 12.5 (commencing with Section 17070.10), and
27 receive per pupil allocations as set forth in Chapter 12.5
28 (commencing with Section 17070.10). In the event that
29 the district withdraws the application, any funds
30 previously allocated under this chapter for the project
31 shall be offset from the first grant to the district under
32 Chapter 12.5 (commencing with Section 17070.10).

33 (2) Convert the second priority project approved
34 under this chapter to a first priority status and receive
35 funds in accordance with this chapter.

36 (d) Notwithstanding priorities established pursuant to
37 Chapter 12.5 (commencing with Section 17070.10),
38 projects authorized for funding as set forth in this section
39 shall be funded by the board pursuant to this chapter



1 prior to funding other projects pursuant to Chapter 12.5
2 (commencing with Section 17070.10).

3 (e) For purposes of funding priority for modernization
4 grants under Chapter 12.5 (commencing with Section
5 17070.10), a district that applies under *subdivision (b) or*
6 paragraph (1) of subdivision (c) shall retain its original
7 project approval date.

8 (f) Notwithstanding *Section 17017.1*, West Contra
9 Costa Unified School District shall be eligible for state
10 facilities funds beginning November 4, 1998.

11 SEC. 4. Chapter 12.5 (commencing with Section
12 17070.10) is added to Part 10 of the Education Code, to
13 read:

14
15 CHAPTER 12.5. LEROY F. GREENE SCHOOL FACILITIES
16 ACT OF 1998

17
18 Article 1. General Provisions

19
20 17070.10. This chapter shall be known, and may be
21 cited, as the Leroy F. Greene School Facilities Act of 1998.

22 17070.15. The following terms, wherever used or
23 referred to in this chapter, shall have the following
24 meanings, respectively, unless a different meaning
25 appears from the context:

26 (a) “Apportionment” means a reservation of funds for
27 the purpose of eligible new construction, modernization,
28 or hardship approved by the board for an applicant school
29 district.

30 (b) “Attendance area” means the geographical area
31 serving an existing or proposed high school and those
32 junior high schools and elementary schools included
33 therein.

34 (c) “Board” means the State Allocation Board as
35 established by Section 15490 of the Government Code.

36 (d) “Department” means the Department of General
37 Services.

38 (e) “Committee” means the State School Building
39 Finance Committee established pursuant to Section
40 15909.

1 (f) “Modernization” means any modification of a
2 permanent structure that is at least 25 years old, or in the
3 case of a portable classroom, that is at least 20 years old,
4 that will enhance the ~~capacity~~ *ability* of the structure to
5 achieve educational purposes.

6 (g) “Property” includes all property, real, personal or
7 mixed, tangible or intangible, or any interest therein
8 necessary or desirable for carrying out the purposes of this
9 chapter.

10 (h) “School district” means a school district or a
11 county office of education. For purposes of determining
12 eligibility under this chapter, “school district” may also
13 mean a high school attendance area.

14 (i) “Fund” means the 1998 State School Facilities
15 Fund established pursuant to Section 17070.40.

16 (j) “County fund” means a county school facilities
17 fund established pursuant to Section 17070.43.

18 (k) “Portable classroom” means a classroom building
19 ~~of modular design and construction~~ that is designed and
20 constructed to be relocatable and transportable over
21 public streets, and with respect to a single story portable
22 classroom, is designed and constructed for relocation
23 without the separation of the roof or floor from the
24 building and when measured at the most exterior walls,
25 has a floor area not in excess of 2,000 square feet.

26 (l) “School building capacity” means the capacity of a
27 school building to house students.

28 17070.20. The Director of General Services shall
29 administer this chapter and shall provide assistance to the
30 board as it requires.

31 17070.25. The department shall first publish
32 applications for funding under this chapter by ~~September~~
33 ~~± November 4, 1998~~, and shall be prepared to receive and
34 expeditiously act upon applications on and after that date.

35 17070.30. The State Allocation Board is continued in
36 existence for the purpose of this chapter. The members
37 of the board and the Members of the Legislature meeting
38 with the board shall have no compensation for their
39 services under this chapter, but shall be reimbursed for
40 their actual and necessary expenses incurred in



1 connection with the performance of their duties pursuant
2 to this chapter, to be paid as an administrative expense.

3 17070.33. (a) The board shall adopt guidelines for use
4 by districts by ~~September 1, 1998~~ *June 30, 1999*, to achieve
5 measurable reductions in the costs of school facilities
6 construction.

7 (b) The guidelines shall include, but need not be
8 limited to, all of the following:

9 (1) Mechanisms designed to reduce the costs of
10 professional fees.

11 (2) Mechanisms designed to reduce the costs of site
12 preparation.

13 (3) Recommendations for the use of alternate
14 cost-saving construction materials and methods.

15 (4) Recommendations regarding the joint use of core
16 facilities.

17 (5) Mechanisms designed to reduce costs by
18 incorporating efficiencies in schoolsite design.

19 (6) Recommendations regarding the use of
20 cost-effective, efficient reusable facility plans.

21 (c) If a school district's matching funds include fees
22 charged pursuant to Section 17620 or pursuant to Section
23 65995.5 or 65995.7 of the Government Code, or if a district
24 receives funds pursuant to this chapter, the district shall
25 consider the guidelines developed pursuant to this
26 section as fully as is practicable.

27 (d) When the board adopts the guidelines, it shall not
28 include any recommendation that would have a
29 significant detrimental effect on educational programs.

30 17070.35. In addition to all other powers and duties as
31 are granted *to* the board by this chapter, other statutes,
32 or the California Constitution, the board shall do all of the
33 following:

34 (a) Adopt rules and regulations, pursuant to the
35 rulemaking provisions of the Administrative Procedure
36 Act, Chapter 3.5 (commencing with Section 11340) of
37 Part 1 of Division 3 of Title 2 of the Government Code, for
38 the administration of this chapter. However, the board
39 shall have no authority to set the level of the fees of any
40 architect, structural engineer, or other design



1 professional on any project. The initial regulations
2 adopted pursuant to this chapter shall be adopted as
3 emergency regulations, and the circumstances related to
4 the initial adoption are hereby deemed to constitute an
5 emergency for this purpose. The initial regulations
6 adopted pursuant to this chapter shall be adopted by
7 ~~September 1~~ *November 4*, 1998. If the initial regulations
8 are not adopted by that date, the board shall report to the
9 Legislature by that date, explaining the reasons for the
10 delay.

11 (b) Establish and publish any procedures and policies
12 in connection with the administration of this chapter as
13 it deems necessary.

14 (c) Determine the eligibility of school districts to
15 receive apportionments under this chapter.

16 (d) Apportion funds to eligible school districts under
17 this chapter.

18 17070.40. (a) A fund is hereby established in the State
19 Treasury to be known as the 1998 State School Facilities
20 Fund. All money in the fund, including any money
21 deposited in that fund from any source whatsoever, and
22 notwithstanding Section 13340 of the Government Code,
23 is hereby continuously appropriated for expenditure
24 pursuant to this chapter.

25 (b) The State Allocation Board may apportion funds to
26 school districts for the purposes of this chapter from funds
27 transferred to the 1998 State School Facilities Fund from
28 any source.

29 (c) The board may make apportionments in amounts
30 not exceeding those funds on deposit in the 1998 State
31 School Facilities Fund, and any amount of bonds
32 authorized by the State School Building Finance
33 Committee, but not yet sold by the Treasurer.

34 (d) The board may make disbursements pursuant to
35 any apportionment made from any funds in the 1998 State
36 School Facilities Fund, irrespective of whether there
37 exists at the time of the disbursement an amount in the
38 1998 State School Facilities Fund sufficient to permit
39 payment in full of all apportionments previously made.



1 However, no disbursement shall be made from any funds
2 required by law to be transferred to the General Fund.

3 17070.43. (a) A county school facilities fund is hereby
4 established in the county treasury within each county for
5 each school district in the county.

6 (b) The board may from time to time authorize the
7 Controller to transfer any funds that the board may deem
8 necessary from the 1998 State School Facilities Fund to
9 the corresponding county fund in the county treasury.
10 Interest on all funds deposited in the county fund shall be
11 retained in that fund.

12 (c) Funds may be expended from the county fund by
13 the recipient school district for qualifying school facilities
14 expenditures set forth in Sections 17072.35 and 17074.25.

15 17070.45. This chapter shall not be construed to
16 change the powers and duties of the State Department of
17 Education or the Department of General Services with
18 respect to schoolsites and the construction of school
19 buildings as contained in Chapter 1 (commencing with
20 Section 17211) and Chapter 3 (commencing with Section
21 17251) of Part 10.5.

22 17070.50. The board shall not apportion funds to any
23 school district, unless the applicant school district has
24 certified to the board that the services of any architect,
25 structural engineer, or other design professional for any
26 work under the project have been obtained pursuant to
27 a competitive process that is consistent with the
28 requirements of Chapter 10 (commencing with Section
29 4525) of Division 5 of Title 1 of the Government Code and
30 has done either of the following:

31 (a) Obtained the written approval of the State
32 Department of Education that the site selection, and the
33 building plans and specifications, comply with the
34 standards adopted by the department pursuant to
35 subdivisions (b) and (c), respectively, of Section 17251.

36 (b) Certified to the board that it is in compliance with
37 the standards set forth in subdivision (a).

38 17070.55. Upon request of any school district, the
39 State Department of Education shall provide assistance
40 in the evaluation and utilization of existing school



1 facilities and the justification of the need for schoolsites,
2 new facilities, and the rehabilitation or replacement of
3 existing facilities, in accordance with board regulations.

4 17070.60. Funding decisions made by the board shall
5 not, in themselves, make the board liable for any tort,
6 breach of contract, or any other action for damages
7 caused by a school district arising from new construction
8 or modernization by the district. These contracts include,
9 but are not limited to, contracts between the school
10 district and its construction contractors, construction
11 managers, architects, or engineers. The school district
12 shall be liable for all torts, breaches of contract, or any
13 other actions for damages caused by the school district.

14 17070.63. (a) The total funding provided under this
15 chapter shall constitute the state's full and final
16 contribution to the project and for eligibility for state
17 facilities funding represented by the number of unhoused
18 pupils for which the school district is receiving the state
19 grant. As a condition of receipt of funds, a school district
20 shall certify that the grant amount, combined with local
21 funds, shall be sufficient to complete the school
22 construction project for which the grant is intended.

23 (b) Any funds provided to a school district under any
24 article in this chapter may not be counted towards the
25 local match for receipt of funds under any other article in
26 this chapter.

27 (c) Any savings achieved by the district's efficient and
28 prudent expenditure of these funds shall be retained by
29 the district in the county fund for expenditure by the
30 district as follows:

31 ~~(1) Fifty percent~~ for other high priority capital outlay
32 purposes.

33 ~~(2) Fifty percent for future matching funds for the~~
34 ~~purposes of Section 17072.30 or Section 17074.15.~~

35 17070.65. From any moneys in the 1998 State School
36 Facilities Fund, and approved for this purpose in the
37 annual Budget Act, the board shall make available to the
38 Director of General Services the amounts that the board
39 determines necessary for the Department of General
40 Services to provide the assistance, pursuant to this



1 chapter, required pursuant to Section 15504 of the
2 Government Code to facilitate the construction,
3 modernization, reconstruction, or alteration of, or
4 addition to, school buildings.

5 17070.70. (a) Title to all property acquired,
6 constructed, or improved with funds made available
7 under this chapter shall be held by the school district to
8 which the board grants the funds.

9 (b) The applicant school district shall comply with all
10 laws pertaining to the construction, reconstruction, or
11 alteration of, or addition to, school buildings.

12 17070.75. (a) The board shall require the school
13 district to make all necessary repairs, renewals, and
14 replacements to ensure that a project is at all times kept
15 in good repair, working order, and condition. All costs
16 incurred for this purpose shall be borne by the school
17 district.

18 (b) In order to ensure compliance with subdivision (a)
19 and to encourage school districts to maintain all buildings
20 under their control, the board shall require an applicant
21 school district to do all of the following prior to the
22 approval of a project:

23 (1) Establish a restricted account within the school
24 district's general fund for the exclusive purpose of
25 providing moneys for ongoing and major maintenance of
26 school buildings, according the highest priority to
27 funding for the purposes set forth in subdivision (a).

28 (2) Agree to deposit into the account established
29 pursuant to paragraph (1), in each fiscal year for 20 years
30 after receipt of funds under this chapter, a minimum
31 amount equal to or greater than 3 percent of the
32 applicant school district's general fund budget for that
33 fiscal year. For the 1998–99 fiscal year and the 1999–2000
34 fiscal year, a school district may phase in this requirement
35 by agreeing to certify the deposit of no less than 2 percent
36 for the 1998–99 fiscal year and no less than 2½ percent
37 for the 1999–2000 fiscal year. Annual deposits to the fund
38 established pursuant to paragraph (1) in excess of 2½
39 percent of the district general fund budget may count
40 towards the district's required match necessary to receive



1 apportionments from the State School Deferred
2 Maintenance Fund pursuant to Section 39619 to the
3 extent that funds are used for purposes that qualify for
4 funding under that section. In addition, any district
5 contribution to this fund may be provided in lieu of
6 meeting the ongoing maintenance requirements
7 pursuant to Section 17014 to the extent the funds are used
8 for purposes established in that section. This paragraph is
9 applicable only to the following school districts:

10 (A) High school districts with an average daily
11 attendance greater than 300 pupils.

12 (B) Elementary school districts with an average daily
13 attendance greater than 900 pupils.

14 (C) Unified school districts with an average daily
15 attendance greater than 1,200 pupils.

16 (3) Certify that it has publicly approved an ongoing
17 and major maintenance plan that outlines the use of the
18 funds deposited, or to be deposited, pursuant to
19 paragraph (2). The plan may provide that the district
20 need not expend all of its annual allocation for ongoing
21 and major maintenance in the year in which it is
22 deposited if the cost of major maintenance requires that
23 the allocation be carried over into another fiscal year.
24 *However, any state funds carried over into a subsequent*
25 *year shall not be counted toward the annual minimum*
26 *contribution by the district.* A plan developed in
27 compliance with this section shall be deemed to meet the
28 requirements of Section 17585.

29 (c) A district for which paragraph (2) of subdivision
30 (b) does not apply shall certify to the board that it can
31 reasonably maintain its facilities with a lesser level of
32 maintenance.

33 17070.80. (a) All school facilities purchased or newly
34 constructed pursuant to this chapter for use, in whole or
35 in part, by pupils who are individuals with exceptional
36 needs, as defined in Section 56026, shall be designed and
37 located on the schoolsite so as to maximize interaction
38 between those individuals with exceptional needs and
39 other pupils as appropriate to the needs of both.



1 (b) The governing board of each applicant school
2 district and the county office of education shall ensure
3 that school facilities for pupils who are individuals with
4 exceptional needs are integrated with other school
5 facilities.

6 (c) The State Allocation Board, after consultation with
7 the State Department of Education and representatives
8 from county offices of education, special education
9 services regions, and school districts, shall develop and
10 adopt any regulations necessary to implement this
11 section.

12 (d) Notwithstanding any other provision of law, the
13 requirement set forth in subdivision (a) may be waived,
14 by the Superintendent of Public Instruction, only upon
15 compliance with the following procedure:

16 (1) The applicant school district or county
17 superintendent of schools shall file a written request for
18 waiver that documents the reasons for its inability to
19 comply with the requirement.

20 (2) The State Department of Education shall verify
21 the reasons set forth pursuant to paragraph (1), including
22 the documentation submitted, which verification shall be
23 completed no later than 30 days after the filing of the
24 request for waiver with the Superintendent of Public
25 Instruction.

26 (3) The Advisory Commission on Special Education, as
27 established under Section 33590, at its first scheduled
28 meeting following the verification conducted pursuant to
29 paragraph (2), shall review the request for waiver,
30 accompanying documentation, and the verification
31 findings of the State Department of Education. No later
32 than 15 days following the date of that meeting, the
33 commission shall submit its written comments and
34 recommendations regarding the request for waiver to the
35 Superintendent of Public Instruction.

36 (4) The Superintendent of Public Instruction shall
37 review the comments and recommendations submitted
38 by the Advisory Commission on Special Education prior
39 to approving or rejecting the request for waiver.



1 (5) Any request for waiver, submitted in accordance
2 with this section, that is not rejected within 60 days of its
3 receipt by the State Department of Education, shall be
4 deemed approved.

5 17070.85. Notwithstanding any other provision of law,
6 a lien recorded on school district property that has been
7 imposed pursuant to Section 16019 or 17030 shall be
8 released on the operative date of this section. The release
9 shall conclusively protect any third party relying upon
10 the same, and shall be acknowledged to permit
11 recordation by the county recorder. On and after ~~July 15~~
12 *November 4*, 1998, a lien may not be imposed pursuant to
13 Section 16019 or Section 17030.

14 17070.90. As a part of its application, a school district
15 shall certify that it has considered the feasibility of the
16 joint use of land and facilities with other governmental
17 entities in order to minimize school facilities costs. Funds
18 provided pursuant to this chapter for growth and
19 modernization may be used for the school portion of
20 joint-use facilities.

21 17070.97. The board shall require the school district to
22 insure against public liability or property damage in
23 connection with any facility constructed or modernized
24 with an apportionment under this chapter.

25 17070.98. A school district that does not have
26 employees who possess adequate construction
27 management experience may contract for the provision
28 of construction management, and may use funds
29 provided pursuant to Article 4 (commencing with
30 Section 17072.10), Article 5 (commencing with Section
31 17072.20), and Article 7 (commencing with Section
32 17074.10) for the cost of those services as expressly
33 authorized by Section 17072.35 and Section 17074.25.

34

35 Article 2. Existing School Building Capacity

36

37 17071.10. (a) The calculation determined by this
38 article shall be made on a one-time basis, and will be used
39 as the baseline for eligibility determinations pursuant to
40 this chapter.



1 (b) Each school district that elects to participate in the
2 new construction program pursuant to this chapter shall
3 submit to the board a one-time report of existing school
4 building capacity.

5 17071.25. (a) The existing school building capacity in
6 the applicant school district or, where appropriate, in the
7 attendance area, at the time of initial application shall be
8 calculated pursuant to the following formula:

9 (1) Identify by grade level all permanent teaching
10 stations existing in the school district or, where
11 appropriate, the attendance area. For the purposes of this
12 section, “teaching station” means any space that was
13 constructed or reconstructed to serve as an area in which
14 to provide pupil instruction, but shall not include
15 portable buildings, except as provided in Section
16 17071.30.

17 (2) The assumed capacity of each calculated teaching
18 station pursuant to paragraph (1) shall be 25 pupils for
19 each teaching station used for kindergarten or for grades
20 1 to 6, inclusive, and 27 pupils for each teaching station
21 used for grades 7 to 12, inclusive.

22 (3) Multiply the assumed capacity of each teaching
23 station as specified in paragraph (2) by the number of
24 teaching stations calculated under paragraph (1).

25 (4) The result of this computation shall be the number
26 of pupils housed by grade level in the existing school
27 building capacity of the applicant school district.

28 (b) The existing school building capacity of the
29 applicant school district calculated under this section
30 shall not include, in any school operated on a year-round
31 schedule, any teaching station that has been in continuous
32 use during the preceding five-year period primarily for
33 the operation of a preschool program or programs.

34 17071.30. For purposes of determining the existing
35 school building capacity ~~in an applicant school district,~~
36 *each applicant school district shall include* each portable
37 classroom, whether owned or leased, ~~shall be included,~~
38 ~~except as otherwise provided in subdivisions~~ *except as*
39 *otherwise provided in subdivision (a) and or (b).*



1 (a) Portable classrooms leased pursuant to Chapter 14
2 (commencing with Section 17085) shall be excluded from
3 the existing school building capacity. Portable classrooms
4 obtained by an applicant district pursuant to subdivision
5 (b) of Section 17088.5 shall be excluded from the existing
6 school building capacity, except as to any portable
7 classroom or classrooms for which the district rejected the
8 board's offer to purchase pursuant to that subdivision.

9 ~~(b) Portable classrooms leased pursuant to this article~~
10 *Portable classrooms leased* for a period of less than five
11 years prior to the date of application shall not be included
12 in existing school building capacity.

13 *(b) The number of portable classrooms, reduced by*
14 *the number of portable classrooms used as interim*
15 *housing for modernization projects, that exceed 25*
16 *percent of the number of permanent classrooms available*
17 *to the district shall not be included in the existing building*
18 *capacity.*

19 17071.33. For the purposes of determining existing
20 school building capacity, the calculation shall be adjusted
21 as required for first priority status pursuant to Section
22 17017.7 as that calculation would have been made under
23 the policies of the board in effect immediately preceding
24 ~~July 15~~ *September 1, 1998.*

25 17071.35. Notwithstanding any other provisions of
26 law, the maximum school building capacity for each
27 applicant district shall be increased by the number of
28 pupils reported by the Superintendent of Public
29 Instruction for that grade level pursuant to Section 42268.
30 This adjustment shall be calculated on the basis, at the
31 district's option, of either the district as a whole or the
32 appropriate attendance area.

33 17071.40. Each school on a year-round, multitrack
34 calendar that has a density of 200 or more pupils enrolled
35 per acre, that is located in a school district with 40 percent
36 of its pupils attending multitrack, year-round schools shall
37 be exempted from the increase in school building
38 capacity required by Section 17071.35. Nothing in this
39 section shall be construed as exempting the school from
40 the requirements of Section 17071.33.



1 Article 3. New Construction ~~Ongoing~~ Eligibility
2 Determination
3

4 17071.75. After a one-time initial report of existing
5 school building capacity has been completed, a school
6 district's ongoing eligibility for new construction funding
7 shall be determined by making all of the following
8 calculations:

9 (a) Each school district that applies to receive funding
10 for new construction shall calculate enrollment
11 projections for the fifth year beyond the fiscal year in
12 which the application is made. Projected enrollment shall
13 be determined by utilizing the cohort survival
14 enrollment projection system, as defined and approved
15 by the board. The board may supplement the cohort
16 survival enrollment projection by the number of
17 unhoused pupils that are anticipated as a result of
18 dwelling units proposed pursuant to approved and valid
19 tentative subdivision maps.

20 (b) Add the number of pupils that may be adequately
21 housed in the existing school building capacity of the
22 applicant district as determined pursuant to Article 2
23 (commencing with Section 17071.10) to the number of
24 pupils for which facilities were provided pursuant to this
25 chapter after the existing school building capacity was
26 determined pursuant to Article 2 (commencing with
27 Section 17071.10).

28 (c) Subtract the number of pupils pursuant to
29 subdivision (b) from the number of pupils determined
30 pursuant to subdivision (a).

31 (d) The calculations required to establish eligibility
32 under this article shall result in a distinction between the
33 number of existing unhoused pupils and the number of
34 projected unhoused pupils.

35 17071.76. (a) Whenever the existing school building
36 capacity in any high school attendance area prevents
37 another high school attendance area from receiving the
38 maximum per-unhoused-pupil grant specified for the
39 school district as a whole, the eligibility may be computed
40 separately for each high school attendance area.

1 (b) For the purposes of eligibility, a school district may
 2 combine two or more adjacent high school attendance
 3 areas pursuant to the following conditions:

4 (1) The funding eligibility is for the construction of a
 5 high school, junior high school, or elementary school
 6 located or to be located in any of those high school
 7 attendance areas.

8 (2) The high school, junior high school, or elementary
 9 school to be constructed is to serve pupils residing in each
 10 of those high school attendance areas.

11 (3) The combined eligibility reflects the eligibility to
 12 which each of the high school attendance areas would
 13 otherwise be entitled, reflecting the proportion of
 14 projected pupil enrollment in the school to be
 15 constructed, as calculated under this chapter, from each
 16 of those attendance areas.

17
 18 Article 4. New Construction Grant Eligibility
 19 Determination

20
 21 17072.10. (a) The board shall determine the
 22 applicant's maximum total new construction grant
 23 eligibility by multiplying the number of unhoued pupils
 24 calculated pursuant to Article 3 (commencing with
 25 Section 17071.75) in each school district with an approved
 26 application for new construction, by the
 27 per-unhoused-pupil grant as follows:

28 (1) Five thousand two hundred dollars (\$5,200) for
 29 elementary school pupils.

30 (2) Five thousand five hundred dollars (\$5,500) for
 31 middle school pupils.

32 (3) Seven thousand two hundred dollars (\$7,200) for
 33 high school pupils.

34 (b) The board shall annually adjust the
 35 per-unhoused-pupil apportionment to reflect
 36 construction cost changes, as set forth in the statewide
 37 cost index for class B construction as determined by the
 38 board.

39 (c) The board may adopt regulations to be effective
 40 until July 1, 2000, that adjust the amounts identified in this



1 section for qualifying individuals with exceptional needs,
2 as defined in Section 56026. The regulations shall be
3 amended after July 1, 2000, in consideration of the
4 recommendations provided pursuant to Section 17072.15.

5 (d) The board may establish a single supplemental
6 per-unhoused-pupil grant in addition to the amounts
7 specified in subdivision (a) based on the statewide
8 average marginal difference in costs in instances where
9 a project requires multilevel school facilities due to
10 limited acreage. The district's application shall
11 demonstrate that a practical alternative site is not
12 available.

13 17072.12. In addition to the amount provided in
14 Section 17072.10, the board may provide funding for
15 assistance in site development and acquisition if all of the
16 following are met:

17 (a) The amount of the site acquisition and
18 development assistance does not exceed 50 percent of the
19 cost of site development to the school district, plus the
20 lesser of 50 percent of the site cost to the school district
21 or 50 percent of the appraised value of the site at the time
22 the complete application is submitted, whichever is less.

23 (b) The school district certifies that there is no
24 alternative available site, or that the district plans to sell
25 an available site in order to use the proceeds of the sale
26 for the purchase of the new site.

27 17072.15. In conjunction with the State Department
28 of Education and the Department of Finance, the
29 Legislative Analyst shall review the method of funding
30 the construction and modernization of school facilities for
31 special education pupils and the amount provided per
32 unhoused special education pupil pursuant to Sections
33 17072.10 and 17074.10. Pursuant to this review, the
34 Legislative Analyst shall recommend modifications to this
35 method that he or she deems to be advisable on or before
36 September 1, 1999.

37



1 Article 5. New Construction Funding Process

2
3 17072.20. (a) An applicant school district that has
4 been determined by the board to meet the eligibility
5 requirements for new construction funding set forth in
6 Article 2 (commencing with Section 17071.10) or Article
7 3 (commencing with Section 17071.75) may submit at any
8 time a request to the board for a project apportionment
9 for all or a portion of the funding for which the school
10 district is eligible.

11 (b) The application shall include, but shall not be
12 limited to, the school district's determination of the
13 amount of state funding that the district is otherwise
14 eligible for relating to site acquisition, site development,
15 new construction, and hardship funding provided
16 pursuant to Article 8 (commencing with Section
17 17075.10), if any. *The amount shall be reduced by the*
18 *amount of the alternative fee collected pursuant to*
19 *subdivision (a) of Section 65995.7 of the Government*
20 *Code if a reimbursement election or agreement pursuant*
21 *to Section 65995.7 of the Government Code is not in*
22 *effect.*

23 (c) The board shall verify and adjust, as necessary, and
24 approve the district's application.

25 17072.25. (a) The board shall adopt regulations to
26 develop a mechanism to rank approved applications for
27 new construction funding. This mechanism shall be used
28 to determine the priority of approved applications when
29 state funds are insufficient.

30 (b) The ranking mechanism shall allocate priority
31 points based upon the percentages of currently and
32 projected unhoused pupils relative to the total population
33 of the applicant district or attendance area and the total
34 number of currently and projected unhoused pupils in an
35 applicant district or attendance area.

36 (c) The board may award priority points based on
37 other factors that in its judgment result in the most
38 equitable distribution of resources among applicants. The
39 additional factors may not constitute greater than a
40 10-percent weight in the overall priority ranking.



1 17072.30. Subject to the availability of funds, and to
2 the determination of priority pursuant to Section
3 17072.25, the board shall apportion funds to an eligible
4 school district only upon the approval of the project by
5 the Department of General Services pursuant to the
6 Field Act, as defined in Section 17281, and certification by
7 the school district that the required 50 percent matching
8 funds from local sources have been expended by the
9 district for the project, or have been deposited in the
10 county fund, *or will be expended by the district by the*
11 *time the project is completed*, in an amount at least equal
12 to the proposed apportionment pursuant to this chapter,
13 prior to release of the state funds.

14 17072.32. For any project that has received an
15 apportionment pursuant to Section 17072.30, funding
16 shall be released in amounts equal to the amount of the
17 local match upon certification by the district that the
18 district has entered into a binding contract for
19 completion of the approved project.

20 17072.33. In the case of site acquisition, a district may
21 request that the state's share of site assistance be provided
22 to the district ~~when the district~~ in amounts equal to the
23 amount of the local match *when the district* enters escrow
24 for a site included within a project.

25 17072.35. A grant for new construction may be used
26 for any and all costs necessary to adequately house new
27 pupils in any approved project, and those costs may only
28 include the cost of design, engineering, testing,
29 inspection, plan checking, construction management,
30 site acquisition and development, demolition,
31 construction, ~~purchase~~ *acquisition* and installation of
32 portable classrooms, landscaping, necessary utility costs,
33 utility connections and other fees, equipment including
34 telecommunication equipment to increase school
35 security, furnishings, and the upgrading of electrical
36 systems or the wiring or cabling of classrooms in order to
37 accommodate educational technology. A grant for new
38 construction may also be used to acquire an existing
39 government or privately owned building, or a privately
40 financed school building, and for the necessary costs of



1 converting the government or privately owned building
2 for public school use.

3

4 Article 6. Modernization Eligibility Determination

5

6 17073.10. Each school district that desires to receive
7 an apportionment for modernization under this chapter
8 shall submit an application in a form, and in the number
9 of copies, that the board may require.

10 17073.15. A school district shall be eligible to receive
11 an apportionment for modernization of permanent
12 school buildings that are more than 25 years old ~~or~~, *or* in
13 the case of portable classrooms that are at least 20 years
14 old, and that have not been previously modernized with
15 state funding.

16 17073.20. Funding may ~~not~~ be approved for the
17 modernization of any permanent school building that is
18 ~~less~~ *more* than 25 years old, or, in the case of any portable
19 classroom that is ~~less~~ *more* than 20 years old, as described
20 in Section 17071.30, and that prior to November 4, 1998,
21 had not been previously modernized with state funding.

22

23 Article 7. Modernization Apportionment

24

25 17074.10. (a) The board shall determine the total
26 funding eligibility of a school district for modernization
27 funding by multiplying the following amounts by each
28 pupil of that grade level housed in permanent school
29 buildings that are at least 25 years old or portable
30 classrooms that are at least 20 years old, and that have not
31 been previously modernized with state funding:

32 (1) Two thousand two hundred forty-six dollars
33 (\$2,246) for each elementary pupil.

34 (2) Two thousand three hundred seventy-six dollars
35 (\$2,376) for each middle school pupil.

36 (3) Three thousand one hundred ten dollars (\$3,110)
37 for each high school pupil.

38 (b) The board shall annually adjust the factors set forth
39 in subdivision (a) according to the adjustment for



1 inflation set forth in the statewide cost index for class B
2 construction, as determined by the board.

3 (c) The board may adopt regulations to be effective
4 until July 1, 2000, that adjust the amounts identified in this
5 section for qualifying individuals with exceptional needs,
6 as defined in Section 56026. The regulations shall be
7 amended after July 1, 2000, in consideration of the
8 recommendations provided pursuant to Section 17072.15.

9 (d) *It is the intent of the Legislature that the amounts*
10 *provided pursuant to this article for school modernization*
11 *do not include funding for administrative and overhead*
12 *costs.*

13 17074.15. The board shall release disbursements to
14 school districts with approved applications for
15 modernization, to the extent state funds are available for
16 the state's 80-percent share, and the school district has
17 provided its 20-percent local match. Subject to the
18 availability of funds, the board shall apportion funds to an
19 eligible school district only upon the approval of the
20 project by the Department of General Services pursuant
21 to the Field Act, as defined in Section 17281, and evidence
22 that the certification by the school district that the
23 required 20 percent matching funds from local sources
24 have been expended by the district for the project, or
25 have been deposited in the county fund or will be
26 expended by the district by the time of completion of the
27 project, and evidence that the district has entered into a
28 binding contract for the completion of that project. If
29 state funds are insufficient to fund all qualifying school
30 districts, the board shall fund all qualifying school districts
31 in the order in which the application for funding was
32 approved by the board.

33 17074.20. As a condition for the receipt of funds under
34 this article, a school district shall ensure that all buildings
35 modernized comply with Sections 17212, 17212.5, and
36 17213.

37 17074.25. A modernization apportionment may be
38 used for an improvement to extend the useful life of, or
39 to enhance the physical environment of, the school. The
40 improvement may only include the cost of design,



1 engineering, testing, inspection, plan checking,
 2 construction management, demolition, construction, the
 3 replacement of portable classrooms, necessary utility
 4 costs, utility connection and other fees, the purchase and
 5 installation of air-conditioning equipment and insulation
 6 materials and related costs, furniture and equipment,
 7 including telecommunication equipment to increase
 8 school security, fire safety improvements, playground
 9 safety improvements, the identification, assessment, or
 10 abatement of hazardous asbestos, seismic safety
 11 improvements, and the upgrading of electrical systems or
 12 the wiring or cabling of classrooms in order to
 13 accommodate educational technology. A modernization
 14 grant may not be used for costs associated with acquisition
 15 and development of real estate or for routine
 16 maintenance and repair.

17

18 Article 8. Hardship Application

19

20 17075.10. (a) A school district may apply for hardship
21 assistance in cases of extraordinary circumstances.

22 (b) A school district applying for hardship state
23 funding under this article shall comply with either
24 paragraph (1) or (2).

25 (1) Demonstrate both of the following:

26 (A) That due to extreme financial, disaster-related, or
27 other hardship the school district has unmet need for
28 pupil housing.

29 (B) That the school district is not financially capable of
30 providing the matching funds otherwise required for
31 state participation, that the district has made all
32 reasonable efforts to impose all levels of local debt
33 capacity and development fees, and that the school
34 district is, therefore, unable to participate in the program
35 pursuant to this chapter except as set forth in this article.

36 (2) Demonstrate that due to unusual circumstances
37 that are beyond the control of the district, excessive costs
38 need to be incurred in the construction of school facilities.

39 17075.15. (a) From funds available from any bond act
40 for the purpose of funding facilities for school districts



1 with a financial hardship, the board may provide other
2 construction, modernization, or relocation assistance as
3 set forth in this chapter or Chapter 14 (commencing with
4 Section 17085) to the extent that severe circumstances
5 may require, and may adjust or defer the local financial
6 participation, as pupil health and safety considerations
7 require to the extent that bond act funds are provided for
8 this purpose.

9 (b) The board shall adopt regulations for determining
10 the amount of funding that may be provided to a district,
11 and the eligibility and prioritization of funding, under this
12 article.

13 (1) The regulations shall include a method for
14 determining the amount, and sources, of financing that
15 the school district could reasonably provide for school
16 facilities. Further, the regulations shall also specify a
17 method for determining required levels of local effort to
18 obtain matching funds.

19 (2) The value of any unused local general obligation
20 debt capacity and developer fees added to the needs
21 analysis to reflect the district's financial hardship,
22 available for the purposes of school facilities financing
23 shall be considered when evaluating available resources
24 for the purposes of the determination described in
25 paragraph (1).

26
27 Article 9. Program Accountability

28
29 17076.10. (a) A school district that has received any
30 funds pursuant to this chapter shall submit a summary
31 report of expenditure of state funds and of district
32 matching funds annually until all state funds and district
33 matching funds are expended, and shall then submit a
34 final report to the board. The board may require an audit
35 of these reports or other district records to ensure that all
36 funds received pursuant to this chapter are expended in
37 accordance with program requirements.

38 (b) If the board finds that a participating school
39 district has made no substantial progress towards
40 increasing its pupil capacity or renovating its facilities

1 within 18 months of the receipt of any funding pursuant
2 to this chapter, the board shall rescind the apportionment
3 in an amount equal to the unexpended funds.

4 (c) If the board, after the review of expenditures or
5 audit has been conducted pursuant to subdivision (a),
6 determines that a school district failed to expend funds in
7 accordance with this chapter, the department shall notify
8 the school district of the amount that must be repaid to
9 the 1998 State School Facilities Fund within 60 days. If the
10 school district fails to make the required payment within
11 60 days, the department shall notify the Controller and
12 the school district in writing, and the Controller shall
13 deduct an amount equal to the amount received by the
14 school district under this subdivision, from the school
15 district's next principal apportionment or
16 apportionments of state funds to the school district, other
17 than basic aid apportionments required by Section 6 of
18 Article IX of the California Constitution. Any amounts
19 obtained by the Controller shall be deposited into the
20 1998 State School Facilities Fund.

21 (d) If a school district has received an apportionment,
22 but has not met the criteria to have funds released
23 pursuant to Section 17072.32 or 17074.15 within 18
24 months, the board shall rescind the apportionment and
25 deny the district's application.

26 SEC. 5. Section 17260 of the Education Code is
27 amended to read:

28 17260. As used in this article "school buildings" shall
29 have the same meaning as in Section 17283.

30 SEC. 6. Section 17261 of the Education Code is
31 repealed.

32 SEC. 7. Section 17261 is added to the Education Code,
33 to read:

34 17261. The State Allocation Board shall obtain
35 construction plans for school buildings appropriate for
36 school districts in various climates and geographical
37 conditions of the state. The plans shall be composed of
38 plans designed to meet the needs of school districts
39 requiring school buildings of various sizes. The plans may
40 include landscape suggestions.



1 SEC. 8. Section 17262 of the Education Code is
2 amended to read:

3 17262. Any school district may request sets of the
4 plans and specifications obtained by the State Allocation
5 Board as appropriate for use in constructing a school
6 building of the type desired by the district. The plans and
7 specifications shall be furnished to the school district
8 subject to the payment by the school district of the actual
9 expense incurred by the State Allocation Board, but that
10 payment shall not exceed more than 2 percent of the total
11 cost of the project. Any payments received for the plans
12 and specifications shall be paid into the 1998 State School
13 Facilities Fund.

14 SEC. 9. Section 17303 of the Education Code is
15 amended to read:

16 17303. (a) The Department of General Services shall
17 establish one or more methods to ensure that each
18 application has been completed sufficiently by the
19 applicant to enable the plan review to be performed.

20 (b) Upon receipt of a complete application, the
21 Department of General Services shall inform the
22 applicant of the period of time that it anticipates to elapse
23 prior to commencing review of the applicant's plans.
24 Within 10 days of being so notified, the applicant shall
25 make an election to either use the Department of
26 General Services for the review of the applicant's plan or,
27 request the plan review be performed by one or more
28 qualified plan review firms pursuant to Sections 17305
29 and 17306. If the applicant elects to use the services of the
30 Department of General Services for review of the
31 applicant's plan, the department, as necessary to expedite
32 review of the applicant's plans, shall do one or more of the
33 following:

34 (1) Contract for assistance from one or more qualified
35 plan review firms pursuant to Section 17305.

36 (2) Employ additional staff on a temporary basis.

37 (3) Maximize the use of department staff through the
38 use of overtime or other appropriate means.



1 (4) Any other action determined by the department to
2 have the effect of expediting the review and approval
3 process.

4 (c) Each application shall identify, for purposes of
5 receiving the notifications required under this
6 subdivision, an employee of the applicant school district
7 and either the applicant's architect or structural
8 engineer. The Department of General Services
9 immediately shall notify that employee, and the
10 identified architect or structural engineer, when each of
11 the following steps in the plan review process occurs:

12 (1) The department requests the applicant's architect
13 or structural engineer to correct or complete any part of
14 the application.

15 (2) An application number is assigned to the
16 application.

17 (3) Review of the applicant's plans is commenced.

18 (4) Review of the applicant's plans is completed and
19 the department returns the plans to the architect or
20 structural engineer for correction.

21 (5) Corrected plans are returned to the department
22 by the applicant's architect or structural engineer for
23 final review and approval.

24 (6) The department approves the plans and causes a
25 final record set of the plans to be printed in accordance
26 with Section 17304.

27 (d) The Department of General Services may provide
28 additional notifications to applicants as it deems
29 necessary.

30 SEC. 10. Section 17305 of the Education Code is
31 amended to read:

32 17305. (a) Notwithstanding Section 14952 of the
33 Government Code, the Department of General Services
34 shall contract with a sufficient number of qualified plan
35 review firms for assistance in performing the plan review
36 required under this article or Article 5 (commencing
37 with Section 17350).

38 (b) For purposes of this article, "qualified plan review
39 firm" means an individual, firm, or the building official of
40 a city, a county, or a city and county, *as defined in Section*



1 18949.27 of the Health and Safety Code or the authorized
2 representative of the building official that is identified by
3 the Department of General Services as having
4 appropriate expertise and knowledge of the
5 requirements that apply to school buildings under this
6 article. The department shall establish and maintain a list
7 of the individuals and firms, *and building officials or the*
8 *authorized representatives of building officials* so
9 identified, and shall make that list available, upon
10 request, to school districts and other interested parties.

11 SEC. 11. Section 17306 of the Education Code is
12 amended to read:

13 17306. (a) Upon submitting a complete application
14 for review under this article, the applicant may request
15 that the Department of General Services refer the
16 documents necessary for the review of that application to
17 a qualified plan review firm operating under contract
18 with the department pursuant to Section 17305. The
19 department immediately shall grant the request and
20 refer the necessary documents to a qualified plan review
21 firm if the applicant so requests.

22 Upon completing the review, the qualified plan review
23 firm shall submit the documents referred to it for the
24 review of the application, together with the results of its
25 review, to the Department of General Services.

26 (b) The Department of General Services shall
27 establish a procedure governing the use by applicants of
28 the review process alternative described in this section,
29 including, but not limited to, provisions restricting the
30 use of qualified plan review firms on the basis of conflict
31 of interest.

32 SEC. 12. Section 17620 of the Education Code is
33 amended to read:

34 17620. (a) (1) The governing board of any school
35 district is authorized to levy a fee, charge, dedication, or
36 other requirement against any construction within the
37 boundaries of the district, for the purpose of funding the
38 construction or reconstruction of school facilities, subject
39 to any limitations set forth in Chapter 4.9 (commencing
40 with Section 65995) of Division 1 of Title 7 of the



1 Government Code. This fee, charge, dedication, or other
2 requirement may be applied to construction only as
3 follows:

4 (A) To new commercial and industrial construction.
5 The chargeable covered and enclosed space of
6 commercial or industrial construction shall not be
7 deemed to include the square footage of any structure
8 existing on the site of that construction as of the date the
9 first building permit is issued for any portion of that
10 construction.

11 (B) To new residential construction.

12 (C) To other residential construction, only if the
13 resulting increase in assessable space exceeds 500 square
14 feet. The calculation of the “resulting increase in
15 assessable space” for this purpose shall reflect any
16 decrease in assessable space in the same residential
17 structure that also results from that construction. Where
18 authorized under this paragraph, the fee, charge,
19 dedication, or other requirement is applicable to the total
20 resulting increase in assessable space.

21 (D) To location, installation, or occupancy of
22 manufactured homes and mobilehomes, as defined in
23 Section 17625.

24 (2) For purposes of this section, “construction” and
25 “assessable space” have the same meaning as defined in
26 Section 65995 of the Government Code.

27 (3) For purposes of this section and Section 65995,
28 “construction or reconstruction of school facilities” does
29 not include any item of expenditure for any of the
30 following:

31 (A) The regular maintenance or routine repair of
32 school buildings and facilities.

33 (B) The inspection, sampling, analysis, encapsulation,
34 or removal of asbestos-containing materials, except
35 where incidental to school facilities construction or
36 reconstruction for which the expenditure of fees or other
37 consideration collected pursuant to this section is not
38 prohibited.

39 (C) The purposes of deferred maintenance described
40 in Section 17582.



1 (4) The appropriate city or county may be authorized,
2 pursuant to contractual agreement with the governing
3 board, to collect and otherwise administer, on behalf of
4 the school district, any fee, charge, dedication, or other
5 requirement levied under this subdivision. In the event
6 of any agreement authorizing a city or county to collect
7 that fee, charge, dedication, or other requirement in any
8 area within the school district, the certification
9 requirement set forth in subdivision (b) or (c), as
10 appropriate, is deemed to be complied with as to any
11 residential construction within that area upon receipt by
12 that city or county of payment of the fee, charge,
13 dedication, or other requirement imposed on that
14 residential construction.

15 (5) Fees or other consideration collected pursuant to
16 this section may be expended by a school district for the
17 costs of performing any study or otherwise making the
18 findings and determinations required under subdivisions
19 (a), (b), and (d) of Section 66001 of the Government
20 Code, or in preparing the school facilities needs analysis
21 described in Section 65995.6 of the Government Code. In
22 addition, an amount not to exceed, in any fiscal year, 3
23 percent of the fees collected in that fiscal year pursuant
24 to this section may be retained by the school district, city,
25 or county, as appropriate, for reimbursement of the
26 administrative costs incurred by that entity in collecting
27 the fees. When any city or county is entitled, under an
28 agreement as described in paragraph ~~(3)~~ (4), to
29 compensation in excess of that amount, the payment of
30 that excess compensation shall be made from other
31 revenue sources available to the school district. For
32 purposes of this paragraph, “fees collected in that fiscal
33 year pursuant to this section” does not include any
34 amount in addition to the amounts specified in
35 paragraphs (1) and (2) of subdivision (b) of Section 65995
36 of the Government Code.

37 (b) A city or county, whether general law or
38 chartered, may not issue a building permit for any
39 construction absent certification by the appropriate
40 school district that any fee, charge, dedication, or other



1 requirement levied by the governing board of that school
2 district has been complied with, or of the district's
3 determination that the fee, charge, dedication, or other
4 requirement does not apply to the construction. The
5 school district shall issue the certification immediately
6 upon compliance with the fee, charge, dedication, or
7 other requirement.

8 (c) If, pursuant to subdivision (c) of Section 17621, the
9 governing board specifies that the fee, charge,
10 dedication, or other requirement levied under
11 subdivision (a) is subject to the restriction set forth in
12 subdivision (a) of Section 66007 of the Government Code,
13 the restriction set forth in subdivision (b) of this section
14 does not apply. In that event, however, a city or county,
15 whether general law or chartered, may not conduct a
16 final inspection or issue a certificate of occupancy,
17 whichever is later, for any residential construction absent
18 certification by the appropriate school district of
19 compliance by that residential construction with any fee,
20 charge, dedication, or other requirement levied by the
21 governing board of that school district pursuant to
22 subdivision (a).

23 (d) Neither subdivision (b) nor (c) shall apply to a city
24 or county as to any fee, charge, dedication, or other
25 requirement as described in subdivision (a), or as to any
26 increase in that fee, charge, dedication, or other
27 requirement, except upon the receipt by that city or
28 county of notification of the adoption of, or increase in,
29 the fee or other requirement in accordance with
30 subdivision (c) of Section 17621.

31 SEC. 13. Section 81134 is added to the Education
32 Code, to read:

33 81134. (a) The Department of General Services shall
34 establish one or more methods to ensure that each
35 application has been completed sufficiently by the
36 applicant to enable the plan review to be performed.

37 (b) Upon receipt of a complete application, the
38 Department of General Services shall inform the
39 applicant of the period of time that it anticipates to elapse
40 prior to commencing review of the applicant's plans.



1 Within 10 days of being so notified, the applicant shall
2 make an election to either use the Department of
3 General Services for the review of the ~~applicants~~
4 *applicant's* plans or, request the plan review be
5 performed by one or more qualified plan review firms
6 pursuant to Sections 81135 and 81136. If the applicant
7 elects to use the services of the Department of General
8 Services for review of the ~~applicants~~ *applicant's* plans,
9 the department shall, as necessary to expedite review of
10 the ~~applicants~~ *applicant's* plans do one or more of the
11 following:

12 (1) Contract for assistance from one or more qualified
13 plan review firms pursuant to Sections 81135 and 81136.

14 (2) Employ additional staff on a temporary basis.

15 (3) Maximize the use of department staff through the
16 use of overtime or other appropriate means.

17 (4) Any other action determined by the department to
18 have the effect of expediting the review and approval
19 process.

20 (c) Each application shall identify, for purposes of
21 receiving the notifications required under this
22 subdivision, an employee of the applicant community
23 college district and either the applicant's architect or
24 structural engineer. The Department of General Services
25 immediately shall notify that employee, and the
26 identified architect or structural engineer, when each of
27 the following steps in the plan review process occurs:

28 (1) The department requests the applicant's architect
29 or structural engineer to correct or complete any part of
30 the application.

31 (2) An application number is assigned to the
32 application.

33 (3) Review of the applicant's plans is commenced.

34 (4) Review of the applicant's plans is completed and
35 the department returns the plans to the architect or
36 structural engineer for correction.

37 (5) Corrected plans are returned to the department
38 by the applicant's architect or structural engineer for
39 final review and approval.

1 (6) The department approves the plans and causes a
2 final record set of the plans to be printed in accordance
3 with Section 17304.

4 (d) The Department of General Services may provide
5 additional notifications to applicants as it deems
6 necessary.

7 SEC. 14. Section 81135 is added to the Education
8 Code, to read:

9 81135. (a) Notwithstanding Section 14952 of the
10 Government Code, the Department of General Services
11 shall contract with sufficient numbers of qualified plan
12 review firms for assistance in performing the plan review
13 required under this article or Article 5 (commencing
14 with Section 17350).

15 (b) For purposes of this article, “qualified plan review
16 firm” means an individual, firm, or the building official of
17 a city, county, or city and county, *as defined in Section*
18 *18949.27 of the Health and Safety Code or the authorized*
19 *representative of that building official* that is identified by
20 the Department of General Services as having
21 appropriate expertise and knowledge of the
22 requirements that apply to school buildings under this
23 article. The department shall establish and maintain a list
24 of the individuals ~~and firms~~ *firms, and building officials or*
25 *the authorized representatives of building officials* so
26 identified, and shall make that list available, upon
27 request, to community college districts and other
28 interested parties.

29 SEC. 15. Section 81136 is added to the Education
30 Code, to read:

31 81136. (a) Upon submitting a complete application
32 for review under this article, the applicant may request
33 that the Department of General Services refer the
34 documents necessary for the review of that application to
35 a qualified plan review firm operating under contract
36 with the department pursuant to Section 81135. The
37 department immediately shall grant the request and
38 refer the necessary documents to a qualified plan review
39 firm if the applicant so requests. Upon completing the
40 review, the qualified plan review firm shall submit the



1 documents referred to it for the review of the application,
2 together with the results of its review, to the Department
3 of General Services.

4 (b) The Department of General Services shall
5 establish a procedure governing the use by applicants of
6 the review process alternative described in this section,
7 including, but not limited to, provisions restricting the
8 use of qualified plan review firms on the basis of conflict
9 of interest.

10 SEC. 16. Part 68 (commencing with Section 100400)
11 is added to the Education Code, to read:

12
13 PART 68. PUBLIC EDUCATION BONDS

14
15 CHAPTER 1. CLASS SIZE REDUCTION

16 KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION FACILITIES

17 BOND ACT OF 1998
18

19 100400. This part shall be known and may be cited as
20 the Class Size Reduction Kindergarten-University Public
21 Education Facilities Bond Act of 1998.

22 100401. The incorporation of, or reference to, any
23 provisions of California statutory law in this part includes
24 all acts amendatory thereof and supplementary thereto.

25 100403. (a) Bonds in the total amount of nine billion
26 ~~dollars—(\$9,000,000,000)~~ *two hundred million dollars*
27 *(\$9,200,000,000)*, not including the amount of any
28 refunding bonds issued in accordance with Chapter 2
29 (commencing with Section 100410) and Chapter 3
30 (commencing with Section 100450), or so much thereof
31 as is necessary, may be issued and sold to provide a fund
32 to be used for carrying out the purposes expressed in this
33 part and to reimburse the General Obligation Bond
34 Expense Revolving Fund pursuant to Section 16724.5 of
35 the Government Code. The bonds, when sold, shall be
36 and constitute a valid and binding obligation of the State
37 of California, and the full faith and credit of the State of
38 California is hereby pledged for the punctual payment of
39 the principal of, and interest on, the bonds as the principal
40 and interest become due and payable.



1 (b) Pursuant to this section, the Treasurer shall sell the
 2 bonds authorized by the State School Building Finance
 3 Committee established by Section 15909 and the Higher
 4 Education Facilities Finance Committee established
 5 pursuant to Section 67353 at any different times necessary
 6 to service expenditures required by the apportionments.

7 100405. For purposes of this part, “Chapter 12” means
 8 Chapter 12 (commencing with Section 17000) of Part 10
 9 and “Chapter 12.5” means Chapter 12.5 (commencing
 10 with Section 17070.10) of Part 10.

11
 12 CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE
 13

14
 15 Article 1. Kindergarten Through 12th Grade School
 16 Facilities Program Provisions
 17

18 100410. (a) Three billion ~~two~~ *three* hundred fifty
 19 million dollars—~~(\$3,250,000,000)~~ *(\$3,350,000,000)* of the
 20 proceeds of bonds issued and sold pursuant to this part
 21 shall be deposited in the 1998 State School Facilities Fund,
 22 which is established by Section 17070.40, and allocated by
 23 the State Allocation Board pursuant to this chapter.
 24 Before requesting the sale of bonds pursuant to Section
 25 100432 for deposit in the State School Facilities Fund, the
 26 State Allocation Board shall request, pursuant to Section
 27 100432, the sale of bonds sufficient to finance all projects
 28 for which application was made pursuant to the Leroy F.
 29 Greene State School Building Lease-Purchase Law of
 30 1976 (Chapter 12 (commencing with Section 17000) of
 31 Part 10) and for which an application was approved ~~for~~
 32 ~~an apportionment~~ for construction, but funding was not
 33 available, prior to ~~July 15~~ *November 4*, 1998.

34 (b) In addition to the amount specified in subdivision
 35 (a), three billion ~~two~~ *three* hundred fifty million dollars
 36 ~~(\$3,250,000,000)~~ *(\$3,350,000,000)* of the bonds authorized
 37 by this chapter shall only be issued and sold pursuant to
 38 this chapter on or after July 1, 2000, and the proceeds of
 39 those bonds shall be deposited in the 1998 State School



1 Facilities Fund and allocated by the State Allocation
2 Board pursuant to this chapter.

3 100415. (a) All moneys deposited in the 1998 State
4 School Facilities Fund pursuant to this chapter shall be
5 available and, notwithstanding any other provision of law
6 to the contrary, are hereby appropriated to provide aid
7 to school districts of the state in accordance with the
8 Leroy F. Greene State School Building Lease-Purchase
9 Law of 1976 (Chapter 12 (commencing with Section
10 17000) of Part 10) and in accordance with the Leroy F.
11 Greene School Facilities Act of 1998 (Chapter 12.5
12 (commencing with Section 17070.10) of Part 10), to
13 provide aid to school districts, county superintendents of
14 schools, and county boards of education of the state in
15 accordance with Section 100420, to provide funds to repay
16 any money advanced or loaned to the 1998 State School
17 Facilities Fund under any act of the Legislature, together
18 with interest provided for in that act, and to reimburse
19 the General Obligation Bond Expense Revolving Fund
20 pursuant to Section 16724.5 of the Government Code.

21 (b) The bonds issued and sold pursuant to this chapter
22 shall fund kindergarten and grades 1 through 12,
23 inclusive, school constructions for a four-year period.

24 100420. (a) Of the proceeds from the sale of bonds,
25 issued and sold pursuant to this chapter, as specified in
26 subdivision (a) of Section 100410, not more than three
27 billion ~~two~~ *three* hundred fifty million dollars
28 ~~(\$3,250,000,000)~~ *(\$3,350,000,000)* shall be allocated
29 beginning in the 1998–99 fiscal year in accordance with
30 the following schedule:

31 (1) Not less than one billion three hundred fifty
32 million dollars *(\$1,350,000,000)* for project funding
33 related to the growth in enrollment of applicant school
34 districts under Chapter 12 and Chapter 12.5 that have
35 incurred or will incur enrollment increases.

36 (2) Not less than ~~seven~~ *eight* hundred million dollars
37 ~~(\$700,000,000)~~ *(\$800,000,000)* for the reconstruction or
38 modernization of facilities pursuant to Chapter 12 and
39 Chapter 12.5.



1 (3) Not more than five hundred million dollars
2 (\$500,000,000) shall be deposited in the Public School
3 Critical Hardship Account, which is hereby established in
4 the 1998 State School Facilities Fund and shall be
5 allocated by the State Allocation Board to fund critical
6 hardships as defined in Chapter 12.5. These funds may be
7 expended for the acquisition of portable classrooms for
8 use in accordance with Chapter 14 (commencing with
9 Section 17085) of Part 10.

10 (4) (A) Not more than seven hundred million dollars
11 (\$700,000,000) may be allocated to assist school districts
12 with site acquisition and facilities-related costs of
13 kindergarten and grades 1 to 3, inclusive, that are in the
14 Class Size Reduction Program contained in Chapter 6.10
15 (commencing with Section 52120) of Part 28 and Chapter
16 19 (commencing with Section 17200) of Part 10, and to
17 assist districts with the restoration of facilities that
18 previously accommodated other programs and were
19 displaced as a result of the implementation of class size
20 reduction. On and after July 1, 2000, if applications for the
21 total funds available under this paragraph have not been
22 filed with the State Allocation Board, the funds for which
23 applications have not been received may be allocated by
24 the board to other high priority needs as the board
25 determines. On and after July 1, 2003, any funds not
26 allocated are available for other high priority needs.

27 (B) The funds allocated in ~~paragraph~~ *subparagraph*
28 (A) shall be allocated to the State Department of
29 Education to provide class size reduction facilities grants
30 ~~in the 1998-99 and 1999-2000 fiscal years~~ necessary to
31 implement the K-3 Class Size Reduction Program
32 established pursuant to Chapter 6.10 (commencing with
33 Section 52120) of Part 28 and Chapter 19 (commencing
34 with Section 17200) of Part 10. The department shall
35 certify to the State Allocation Board the amount of funds
36 needed for this purpose. The board shall transfer the
37 amount of funds needed to the department. From these
38 funds, the department shall award eligible districts forty
39 thousand dollars (\$40,000) for each new option one class
40 established for class size reduction for which the district



1 had not previously received funding under class size
2 reduction facilities programs.

3 (C) The remaining funds provided pursuant to
4 ~~subdivision~~ *subparagraph* (A) shall be to provide funding
5 for schoolsites that were eligible to receive a class size
6 reduction land-locked waiver pursuant to Section
7 52122.6. The funds may be provided to districts to provide
8 50 percent of the cost of funding a facilities mitigation
9 plan developed for the impacted site pursuant to Section
10 52122.7.

11 ~~(D) In addition to the funding provided pursuant to~~
12 ~~(C), a district may~~

13 *(D) Any funds not expended pursuant to*
14 *subparagraphs (A), (B), or (C) shall be allocated to*
15 *districts that request funding of forty thousand dollars*
16 *(\$40,000) for each teaching station that (1) was displaced*
17 *as a result of the implementation of class size reduction*
18 *and (2) received less than forty thousand dollars*
19 *(\$40,000) per teaching station in 1996–97 pursuant to*
20 *Chapter 19 (commencing with Section 17200) of Part 10.*
21 Programs for which teaching stations may be restored
22 may include child care, extended day care, school
23 libraries, ~~and computer labs~~ *computer labs, and special*
24 *education classrooms.*

25 (b) Of the proceeds from the sale of bonds issued and
26 sold pursuant to this chapter, as specified in subdivision
27 (b) of Section 100410, not more than three billion ~~two~~
28 *three* hundred fifty million dollars ~~(\$3,250,000,000)~~
29 *(\$3,350,000,000)* shall be allocated beginning in the
30 2000–01 fiscal year in accordance with the following
31 schedule:

32 (1) Not less than one billion five hundred fifty million
33 dollars (\$1,550,000,000) for project funding related to the
34 growth in enrollment of applicant school districts under
35 Chapter 12.5 that have incurred or will incur enrollment
36 increases.

37 (2) Not less than one billion ~~two~~ *three* hundred million
38 dollars ~~—(\$1,200,000,000)~~ *(\$1,300,000,000)* for the
39 reconstruction or modernization of facilities pursuant to
40 Chapter 12.5.



1 (3) Not more than five hundred million dollars
2 (\$500,000,000) shall be deposited in the Public School
3 Critical Hardship Account in the 1998 State School
4 Facilities Fund and shall be allocated by the State
5 Allocation Board to fund critical hardships as defined in
6 Chapter 12.5. These funds may be expended for the
7 acquisition of portable classrooms for use in accordance
8 with Chapter 14 (commencing with Section 17085) of
9 Part 10.

10 (c) Districts may use funds allocated pursuant to
11 paragraph (2) of subdivision (a) and paragraph (2) of
12 subdivision (b) for one or more of the following purposes
13 in accordance with Chapter 12.5:

14 (1) The purchase and installation of air-conditioning
15 equipment and insulation materials, and related costs.

16 (2) Construction projects or the purchase of furniture
17 or equipment designed to increase school security or
18 playground safety.

19 (3) The identification, assessment, or abatement in
20 school facilities of hazardous asbestos.

21 (4) Project funding for high priority roof replacement
22 projects.

23 (5) Any other renovation or modernization of facilities
24 pursuant to Chapter 12.5.

25 (d) Funds allocated pursuant to paragraph (1) of
26 subdivision (a) and paragraph (1) of subdivision (b) may
27 be utilized to provide new construction grants, without
28 regard to funding priorities, for applicant county boards
29 of education under Chapter 12.5 that are eligible for that
30 funding or classrooms for severely handicapped pupils
31 and funding for classrooms for county community school
32 pupils.

33 *(e) (1) The Legislature may amend this section to*
34 *adjust the minimum funding amounts specified in*
35 *paragraphs (1) and (2) of subdivision (a) and the*
36 *maximum funding amounts specified in paragraphs (3)*
37 *and (4) of subdivision (a), and to adjust the minimum*
38 *funding amounts specified in paragraphs (1) and (2) of*
39 *subdivision (b) and the maximum funding amount*



1 *specified in paragraph (3) of subdivision (b), by either of*
2 *the following methods:*

3 (A) *By a statute, passed in each house of the*
4 *Legislature by rollcall vote entered in the respective*
5 *journals, by not less than two-thirds of the membership in*
6 *each house concurring, if the statute is consistent with,*
7 *and furthers the purposes of, this chapter.*

8 (B) *By a statute that becomes effective only when*
9 *approved by the voters.*

10 (2) *Amendments pursuant to this subdivision may*
11 *adjust the amounts to be expended pursuant to*
12 *paragraphs (1) to (4), inclusive, of subdivision (a) or*
13 *paragraphs (1) to (3), inclusive, of subdivision (b) or*
14 *both, but may not increase or decrease the total amount*
15 *to be expended pursuant to either subdivision.*

16
17 Article 2. Kindergarten Through 12th Grade School
18 Facilities Fiscal Provisions
19

20 100425. (a) Bonds in the total amount of six billion
21 ~~five seven~~ hundred million dollars ~~(\$6,500,000,000)~~
22 ~~(\$6,700,000,000)~~, not including the amount of any
23 refunding bonds issued in accordance with Section
24 100444, or so much thereof as is necessary, may be issued
25 and sold to provide a fund to be used for carrying out the
26 purposes expressed in this chapter and to reimburse the
27 General Obligation Bond Expense Revolving Fund
28 pursuant to Section 16724.5 of the Government Code. The
29 bonds, when sold, shall be and constitute a valid and
30 binding obligation of the State of California, and the full
31 faith and credit of the State of California is hereby
32 pledged for the punctual payment of the principal of, and
33 interest on, the bonds as the principal and interest
34 become due and payable.

35 (b) Pursuant to this section, the Treasurer shall sell the
36 bonds authorized by the State School Building Finance
37 Committee established pursuant to Section 15909 at any
38 different times necessary to service expenditures
39 required by the apportionments.



1 100427. The State School Building Finance
2 Committee, established by Section 15909 and composed
3 of the Governor, the Controller, the Treasurer, the
4 Director of Finance, and the Superintendent of Public
5 Instruction, or their designated representatives, all of
6 whom shall serve thereon without compensation, and a
7 majority of whom shall constitute a quorum, is continued
8 in existence for the purpose of this chapter. The
9 Treasurer shall serve as chairperson of the committee.
10 Two Members of the Senate appointed by the Senate
11 Committee on Rules, and two Members of the Assembly
12 appointed by the Speaker of the Assembly, shall meet
13 with and provide advice to the committee to the extent
14 that the advisory participation is not incompatible with
15 their respective positions as Members of the Legislature.
16 For the purposes of this chapter, the Members of the
17 Legislature shall constitute an interim investigating
18 committee on the subject of this chapter and, as that
19 committee, shall have the powers and duties imposed
20 upon those committees by the Joint Rules of the Senate
21 and the Assembly. The Director of Finance shall provide
22 the assistance to the committee as it may require. The
23 Attorney General of the state is the legal adviser of the
24 committee.

25 100430. (a) The bonds authorized by this chapter
26 shall be prepared, executed, issued, sold, paid, and
27 redeemed as provided in the State General Obligation
28 Bond Law (Chapter 4 (commencing with Section 16720)
29 of Part 3 of Division 4 of Title 2 of the Government Code),
30 and all of the provisions of that law, except Section 16727
31 of the Government Code, apply to the bonds and to this
32 chapter and are hereby incorporated in this chapter as
33 though set forth in full in this chapter.

34 (b) For purposes of the State General Obligation Bond
35 Law, the State Allocation Board is designated the “board”
36 for purposes of administering the 1998 State School
37 Facilities Fund.

38 100432. Upon request of the State Allocation Board
39 from time to time, supported by a statement of the
40 apportionments made and to be made for the purposes



1 described in Sections 100415 and 100420, the State School
2 Building Finance Committee shall determine whether or
3 not it is necessary or desirable to issue bonds authorized
4 pursuant to this chapter in order to fund the
5 apportionments and, if so, the amount of bonds to be
6 issued and sold. Successive issues of bonds may be
7 authorized and sold to fund those apportionments
8 progressively, and it is not necessary that all of the bonds
9 authorized to be issued be sold at any one time.

10 100434. There shall be collected each year and in the
11 same manner and at the same time as other state revenue
12 is collected, in addition to the ordinary revenues of the
13 state, a sum in an amount required to pay the principal
14 of, and interest on, the bonds each year. It is the duty of
15 all officers charged by law with any duty in regard to the
16 collection of the revenue to do and perform each and
17 every act which is necessary to collect that additional
18 sum.

19 100435. Notwithstanding Section 13340 of the
20 Government Code, there is hereby appropriated from
21 the General Fund in the State Treasury, for the purposes
22 of this chapter, an amount that will equal the total of the
23 following:

24 (a) The sum annually necessary to pay the principal of,
25 and interest on, bonds issued and sold pursuant to this
26 chapter, as the principal and interest become due and
27 payable.

28 (b) The sum necessary to carry out Section 100440,
29 appropriated without regard to fiscal years.

30 100436. The State Allocation Board may request the
31 Pooled Money Investment Board to make a loan from the
32 Pooled Money Investment Account or any other
33 approved form of interim financing, in accordance with
34 Section 16312 of the Government Code, for the purpose
35 of carrying out this chapter. The amount of the request
36 shall not exceed the amount of the unsold bonds that the
37 committee, by resolution, has authorized to be sold for the
38 purpose of carrying out this chapter. The board shall
39 execute any documents required by the Pooled Money
40 Investment Board to obtain and repay the loan. Any



1 amounts loaned shall be deposited in the fund to be
2 allocated by the board in accordance with this chapter.

3 100438. Notwithstanding any other provision of this
4 chapter, or of the State General Obligation Bond Law, if
5 the Treasurer sells bonds pursuant to this chapter that
6 include a bond counsel opinion to the effect that the
7 interest on the bonds is excluded from gross income for
8 federal tax purposes, subject to designated conditions, the
9 Treasurer may maintain separate accounts for the
10 investment of bond proceeds and for the investment
11 earnings on those proceeds. The Treasurer may use or
12 direct the use of those proceeds or earnings to pay any
13 rebate, penalty, or other payment required under federal
14 law or take any other action with respect to the
15 investment and use of those bond proceeds required or
16 desirable under federal law to maintain the tax-exempt
17 status of those bonds and to obtain any other advantage
18 under federal law on behalf of the funds of this state.

19 100440. For the purposes of carrying out this chapter,
20 the Director of Finance may authorize the withdrawal
21 from the General Fund of an amount not to exceed the
22 amount of the unsold bonds that have been authorized by
23 the State School Building Finance Committee to be sold
24 for the purpose of carrying out this chapter. Any amounts
25 withdrawn shall be deposited in the 1998 State School
26 Facilities Fund consistent with this chapter. Any money
27 made available under this section shall be returned to the
28 General Fund, plus an amount equal to the interest that
29 the money would have earned in the Pooled Money
30 Investment Account, from proceeds received from the
31 sale of bonds for the purpose of carrying out this chapter.

32 100442. All money deposited in the 1998 State School
33 Facilities Fund, that is derived from premium and
34 accrued interest on bonds sold shall be reserved in the
35 fund and shall be available for transfer to the General
36 Fund as a credit to expenditures for bond interest.

37 100444. The bonds may be refunded in accordance
38 with Article 6 (commencing with Section 16780) of
39 Chapter 4 of Part 3 of Division 4 of Title 2 of the
40 Government Code, which is a part of the State General



1 Obligation Bond Law. Approval by the voters of the state
2 for the issuance of the bonds described in this chapter
3 includes the approval of the issuance of any bonds issued
4 to refund any bonds originally issued under this chapter
5 or any previously issued refunding bonds.

6 100446. The Legislature hereby finds and declares
7 that, inasmuch as the proceeds from the sale of bonds
8 authorized by this chapter are not “proceeds of taxes” as
9 that term is used in Article XIII B of the California
10 Constitution, the disbursement of these proceeds is not
11 subject to the limitations imposed by that article.

12
13 CHAPTER 3. HIGHER EDUCATION FACILITIES

14
15 Article 1. Program Provision

16
17 100450. The Legislature finds and declares all of the
18 following:

19 (a) California’s economic and social prosperity relies
20 on a higher education system that keeps pace with
21 California’s growth. In the coming decades, the state’s
22 economic prosperity will depend on increasing the
23 productivity of the work force and on the ability to
24 compete successfully in the world marketplace.

25 (b) The system of public higher education in this state
26 includes the University of California, the Hastings
27 College of the Law, the California State University, the
28 California Community Colleges, and their respective
29 off-campus centers. Each of these institutions plays a vital
30 role in maintaining California’s dominance in higher
31 education in the United States.

32 (c) Over the last several years, studies have been
33 completed by the California Postsecondary Education
34 Commission, the University of California, the California
35 State University, and the California Community Colleges
36 to assess their long-term and short-term capital needs.
37 Those studies demonstrate that the long-term and
38 short-term needs total, in the aggregate, seven hundred
39 fifty million dollars (\$750,000,000) per year into the next
40 century.

1 (d) Proceeds from the sale of bonds issued and sold
2 pursuant to this chapter may be used to fund ~~the~~
3 ~~expansion and renovation of existing campuses and~~
4 ~~development of new campuses at the University of~~
5 ~~California and the Hastings College of the Law, and for~~
6 ~~new and small campuses with enrollments of less than~~
7 ~~5,000 full-time equivalent students at the California State~~
8 ~~University and the California Community Colleges, and~~
9 ~~for the off-campus centers of construction on existing or~~
10 ~~new campuses and off-campus centers, including the~~
11 ~~construction of buildings and the acquisition of related~~
12 ~~fixtures, the renovation and reconstruction of facilities,~~
13 ~~site acquisition, the equipping of new, renovated, or~~
14 ~~reconstructed facilities, which equipment shall have an~~
15 ~~average useful life of 10 years; and to provide funds for the~~
16 ~~payment of preconstruction costs, including, but not~~
17 ~~limited to, preliminary plans and working drawings at the~~
18 ~~University of California, the Hastings College of the Law,~~
19 ~~the California State University and the California~~
20 ~~Community Colleges.~~

21 (e) The purposes of this article include assisting in
22 meeting the capital outlay financing needs of California's
23 public higher education system.

24 100455. (a) Two billion five hundred million dollars
25 (\$2,500,000,000) of the proceeds of bonds issued and sold
26 pursuant to this part shall be deposited in the 1998 Higher
27 Education Capital Outlay Bond Fund which is hereby
28 established in the State Treasury. These funds shall be
29 available for expenditure when appropriated.

30 (b) One billion two hundred fifty million dollars
31 (\$1,250,000,000) of the bonds described in subdivision (a),
32 shall only be issued and sold pursuant to this chapter on
33 or after July 1, 2000.

34 100457. (a) Of the amount of bonds issued and sold
35 pursuant to subdivision (b) of Section 100455, one
36 hundred sixty-five million dollars (\$165,000,000) shall be
37 allocated in the 2000-01 fiscal year to be available ~~for~~
38 ~~allocation only for the purposes of the development of~~
39 ~~new campuses of the University of California, and new~~
40 ~~and small campuses and off-campus centers at the~~



1 ~~California State University and the California~~
 2 ~~Community Colleges pursuant to subdivision (d) of~~
 3 ~~Section 100450. The amount of the allocation of funds~~
 4 ~~required pursuant to this section for the development of~~
 5 ~~new campuses may be reduced by a future legislative act~~
 6 ~~if the Legislature finds that state funds have been~~
 7 ~~provided from sources other than the proceeds of bonds~~
 8 ~~for capital outlay costs. The reduction shall be limited to~~
 9 ~~the amount actually provided from sources other than~~
 10 ~~bond proceeds. only for the following purposes:~~

11 *(1) The development of new campuses of the*
 12 *University of California.*

13 *(2) The development of new campuses, small*
 14 *campuses with enrollments of less than 5,000 full-time*
 15 *equivalent students, and off-campus centers at the*
 16 *California State University and the California*
 17 *Community Colleges.*

18 *(b) The amount of the allocation of funds required*
 19 *pursuant to this section for the development of new*
 20 *campuses may be reduced by a future legislative act if the*
 21 *Legislature finds that state funds have been provided*
 22 *from sources other than the proceeds of bonds for capital*
 23 *outlay costs. The reduction shall be limited to the amount*
 24 *actually provided from sources other than bond proceeds.*

25 100460. The Higher Education Facilities Finance
 26 Committee established pursuant to Section 67353 is
 27 hereby authorized to create a debt or debts, liability or
 28 liabilities, of the State of California pursuant to this
 29 chapter for the purpose of providing funds to aid the
 30 University of California, the Hastings College of the Law,
 31 the California State University, and the California
 32 Community Colleges.

33

34 Article 2. Higher Education Fiscal Provisions

35

36 100500. (a) Bonds in the total amount of two billion
 37 five hundred million dollars (\$2,500,000,000), not
 38 including the amount of any refunding bonds issued in
 39 accordance with Section 100555, or so much thereof as is
 40 necessary, may be issued and sold to provide a fund to be



1 used for carrying out the purposes expressed in this
2 chapter and to reimburse the General Obligation Bond
3 Expense Revolving Fund pursuant to Section 16724.5 of
4 the Government Code. The bonds, when sold, shall be
5 and constitute a valid and binding obligation of the State
6 of California, and the full faith and credit of the State of
7 California is hereby pledged for the punctual payment of
8 the principal of, and interest on, the bonds as the principal
9 and interest become due and payable.

10 (b) Pursuant to this section, the Treasurer shall sell the
11 bonds authorized by the Higher Education Facilities
12 Finance Committee established pursuant to Section
13 67353 at any different times necessary to service
14 expenditures required by the apportionments.

15 100510. (a) The bonds authorized by this chapter
16 shall be prepared, executed, issued, sold, paid, and
17 redeemed as provided in the State General Obligation
18 Bond Law (Chapter 4 (commencing with Section 16720)
19 of Part 3 of Division 4 of Title 2 of the Government Code),
20 and all of the provisions of that law, except Section 16727
21 of the Government Code, apply to the bonds and to this
22 chapter and are hereby incorporated in this chapter as
23 though set forth in full in this chapter.

24 (b) For the purposes of the State General Obligation
25 Bond Law, each state agency administering an
26 appropriation of the 1998 Higher Education Capital
27 Outlay Bond Fund is designated as the “board” for
28 projects funded pursuant to this chapter.

29 (c) The proceeds of the bonds issued and sold pursuant
30 to this chapter shall be available for the purpose of
31 funding aid to the University of California, the Hastings
32 College of the Law, the California State University, and
33 the California Community Colleges, for the construction
34 on existing or new campuses, and their respective
35 off-campus centers, including the construction of
36 buildings and the acquisition of related fixtures,
37 renovation, and reconstruction of facilities, for the
38 acquisition of sites upon which these facilities are to be
39 constructed, for the equipping of new, renovated, or
40 reconstructed facilities, which equipment shall have a



1 useful life of at least 10 years, to provide funds for
2 payment of preconstruction costs, including, but not
3 limited to, preliminary plans and working drawings.

4 100520. The Higher Education Facilities Finance
5 Committee established pursuant to Section 67353 shall
6 authorize the issuance of bonds under this chapter only
7 to the extent necessary to fund the apportionments for
8 the purposes described in this chapter that are expressly
9 authorized by the Legislature in the annual Budget Act.
10 Pursuant to that legislative direction, the committee shall
11 determine whether or not it is necessary or desirable to
12 issue bonds authorized pursuant to this chapter in order
13 to carry out the purposes described in this chapter and,
14 if so, the amount of bonds to be issued and sold. Successive
15 issues of bonds may be authorized and sold to carry out
16 those actions progressively, and it is not necessary that all
17 of the bonds authorized to be issued be sold at any one
18 time.

19 100525. There shall be collected each year and in the
20 same manner and at the same time as other state revenue
21 is collected, in addition to the ordinary revenues of the
22 state, a sum in an amount required to pay the principal
23 of, and interest on, the bonds each year. It is the duty of
24 all officers charged by law with any duty in regard to the
25 collection of the revenue to do and perform each and
26 every act which is necessary to collect that additional
27 sum.

28 100530. Notwithstanding Section 13340 of the
29 Government Code, there is hereby appropriated from
30 the General Fund in the State Treasury, for the purposes
31 of this chapter, an amount that will equal the total of the
32 following:

33 (a) The sum annually necessary to pay the principal of,
34 and interest on, bonds issued and sold pursuant to this
35 chapter, as the principal and interest become due and
36 payable.

37 (b) The sum necessary to carry out Section 100545,
38 appropriated without regard to fiscal years.

39 100535. The board, as defined in subdivision (b) of
40 Section 100510, may request the Pooled Money



1 Investment Board to make a loan from the Pooled Money
2 Investment Account or any other approved form of
3 interim financing, in accordance with Section 16312 of the
4 Government Code, for the purpose of carrying out this
5 chapter. The amount of the request shall not exceed the
6 amount of the unsold bonds that the committee, by
7 resolution, has authorized to be sold for the purpose of
8 carrying out this chapter. The board, as defined in
9 subdivision (b) of Section 100510, shall execute any
10 documents required by the Pooled Money Investment
11 Board to obtain and repay the loan. Any amounts loaned
12 shall be deposited in the fund to be allocated by the board
13 in accordance with this chapter.

14 100540. Notwithstanding any other provision of this
15 chapter, or of the State General Obligation Bond Law, if
16 the Treasurer sells bonds pursuant to this chapter that
17 include a bond counsel opinion to the effect that the
18 interest on the bonds is excluded from gross income for
19 federal tax purposes, subject to designated conditions, the
20 Treasurer may maintain separate accounts for the
21 investment of bond proceeds and for the investment
22 earnings on those proceeds. The Treasurer may use or
23 direct the use of those proceeds or earnings to pay any
24 rebate, penalty, or other payment required under federal
25 law or take any other action with respect to the
26 investment and use of those bond proceeds required or
27 desirable under federal law to maintain the tax-exempt
28 status of those bonds and to obtain any other advantage
29 under federal law on behalf of the funds of this state.

30 100545. (a) For the purposes of carrying out this
31 chapter, the Director of Finance may authorize the
32 withdrawal from the General Fund of an amount not to
33 exceed the amount of the unsold bonds that have been
34 authorized by the Higher Education Facilities Finance
35 Committee to be sold for the purpose of carrying out this
36 chapter. Any amounts withdrawn shall be deposited in
37 the 1998 Higher Education Capital Outlay Bond Fund
38 consistent with this chapter. Any money made available
39 under this section shall be returned to the General Fund,
40 plus an amount equal to the interest that the money



1 would have earned in the Pooled Money Investment
2 Account, from proceeds received from the sale of bonds
3 for the purpose of carrying out this chapter.

4 (b) Any request forwarded to the Legislature and the
5 Department of Finance for funds from this bond issue for
6 expenditure for the purposes described in this chapter by
7 the University of California, the California State
8 University, or the California Community Colleges shall
9 be accompanied by the five-year capital outlay plan.
10 Requests forwarded by a university or college shall
11 include a schedule that prioritizes the seismic retrofitting
12 needed to significantly reduce, by the 2002–03 fiscal year,
13 in the judgment of the particular university or college,
14 seismic hazards in buildings identified as high priority by
15 the university or college. Requests forwarded by the
16 California Community Colleges shall be accompanied by
17 a five-year capital outlay plan reflecting the needs and
18 priorities of the community college system, prioritized on
19 a statewide basis.

20 100550. All money deposited in the 1998 Higher
21 Education Capital Outlay Bond Fund that is derived from
22 premium and accrued interest on bonds sold shall be
23 reserved in the fund and shall be available for transfer to
24 the General Fund as a credit to expenditures for bond
25 interest.

26 100555. The bonds may be refunded in accordance
27 with Article 6 (commencing with Section 16780) of
28 Chapter 4 of Part 3 of Division 4 of Title 2 of the
29 Government Code, which is a part of the State General
30 Obligation Bond Law. Approval by the voters of the state
31 for the issuance of the bonds described in this chapter
32 includes the approval of the issuance of any bonds issued
33 to refund any bonds originally issued under this chapter
34 or any previously issued refunding bonds.

35 100560. The Legislature hereby finds and declares
36 that, inasmuch as the proceeds from the sale of bonds
37 authorized by this chapter are not “proceeds of taxes” as
38 that term is used in Article XIII B of the California
39 Constitution, the disbursement of these proceeds is not
40 subject to the limitations imposed by that article.



1 SEC. 17. Section 1003 of the Elections Code is
2 amended to read:

3 1003. This chapter shall not apply to the following:

4 (a) Any special election called by the Governor.

5 (b) Elections held in chartered cities or chartered
6 counties in which the charter provisions are inconsistent
7 with this chapter.

8 (c) School governing board elections consolidated
9 pursuant to Section 5006 of the Education Code or
10 initiated by petition pursuant to Section 5091 of the
11 Education Code.

12 (d) Elections of any kind required or permitted to be
13 held by a school district located in a chartered city or
14 county when the election is consolidated with a regular
15 city or county election held in a jurisdiction that includes
16 95 percent or more of the school district's population.

17 (e) County, municipal, district, and school district
18 initiative, referendum, or recall elections.

19 (f) Any election conducted solely by mailed ballot
20 pursuant to Division 4 (commencing with Section 4000).

21 (g) Elections held pursuant to Article 1 (commencing
22 with Section 15100) of Chapter 1 of Part 10 of the
23 Education Code.

24 ~~SEC. 18. Section 4420 of the Government Code is~~
25 ~~amended to read:~~

26 ~~4420. (a) An officer or employee of this state, or of~~
27 ~~any public agency or of any public authority, and a person~~
28 ~~acting or purporting to act on behalf of any officer,~~
29 ~~employee, or public agency or authority, except a public~~
30 ~~agency or authority created pursuant to agreement or~~
31 ~~compact with another state, may not, with respect to any~~
32 ~~public building or construction contract that is about to~~
33 ~~be or that has been competitively bid, require the bidder~~
34 ~~to make application to, or furnish financial data to, or to~~
35 ~~obtain or procure any surety bond or contract of~~
36 ~~insurance specified in connection with the contract, or~~
37 ~~specified by any law, ordinance, or regulation, from, a~~
38 ~~particular surety or insurance company, agent, or broker.~~

39 ~~(b) An officer or employee, or person, firm, or~~
40 ~~corporation acting or purporting to act on behalf of any~~



1 officer or employee, may not negotiate, make application
2 for, obtain, or procure any surety bond or contract of
3 insurance, except contracts of insurance for builder's risk
4 or owner's protective liability, that can be obtained or
5 procured by the bidder, contractor, or subcontractor.

6 (e) ~~Subdivision (b) shall not apply to any of the~~
7 ~~following:~~

8 (1) ~~The construction of any exclusive public mass~~
9 ~~transit guideway project in any county with a population~~
10 ~~exceeding 5,000,000, or in the County of Santa Clara or the~~
11 ~~City and County of San Francisco.~~

12 (2) ~~An exclusive public mass transit guideway project~~
13 ~~undertaken by either the San Francisco Bay Area Rapid~~
14 ~~Transit District or the Sacramento Regional Transit~~
15 ~~District.~~

16 (3) ~~An airport expansion project undertaken at the~~
17 ~~San Francisco International Airport.~~

18 (4) ~~A water, wastewater, or reclamation project~~
19 ~~undertaken by a public agency serving a population~~
20 ~~exceeding 250,000.~~

21 (5) ~~An exclusive public water storage or conveyance~~
22 ~~facility undertaken by a metropolitan water district that~~
23 ~~was organized under the Metropolitan Water District~~
24 ~~Act, Chapter 209 of the Statutes of 1969, as amended.~~

25 (6) ~~A county medical center within San Bernardino~~
26 ~~County or Riverside County.~~

27 (7) ~~A construction project undertaken by the harbor~~
28 ~~departments of the City of Los Angeles and the City of~~
29 ~~Long Beach, or any joint powers authority formed by the~~
30 ~~City of Los Angeles and the City of Long Beach, for the~~
31 ~~purpose of improving the Alameda Corridor.~~

32 (8) ~~A construction or renovation project undertaken~~
33 ~~by the Foothill/Eastern or San Joaquin Hills~~
34 ~~Transportation Corridor Agencies in Orange County.~~

35 (9) ~~The construction or renovation of additions to any~~
36 ~~county medical center located within Santa Clara~~
37 ~~County.~~

38 (10) ~~A construction project undertaken by a public~~
39 ~~school district.~~



1 ~~(d) (1) Notwithstanding subdivision (b),~~
2 ~~commencing January 1, 1996, a public agency may utilize~~
3 ~~owner-controlled or wrap-up insurance programs if all of~~
4 ~~the following conditions are met:~~

5 ~~(A) The total cost of the public works project is over~~
6 ~~one hundred twenty five million dollars (\$125,000,000) or~~
7 ~~it is a public school project.~~

8 ~~(B) The program maintains completed operation~~
9 ~~coverage for a term for which the Insurance~~
10 ~~Commissioner has determined that coverage is~~
11 ~~reasonably commercially available, but in no event less~~
12 ~~than three years.~~

13 ~~(C) Bid specifications clearly specify for all bidders the~~
14 ~~insurance coverage provided under the program, and~~
15 ~~minimum safety requirements that must be met.~~

16 ~~(D) The program does not prohibit a contractor or~~
17 ~~subcontractor from purchasing any additional insurance~~
18 ~~coverage that a contractor or subcontractor believes is~~
19 ~~necessary to protect themselves from any liability arising~~
20 ~~out of the contract.~~

21 ~~(E) The program does not include surety insurance.~~

22 ~~(2) Safety requirements for a public works project~~
23 ~~subject to this subdivision may be developed jointly~~
24 ~~between the public agency and the prime contractor. In~~
25 ~~the event the public agency requires a safety program~~
26 ~~different than the prime contractor's usual and~~
27 ~~customary program, the program shall be mutually~~
28 ~~agreed upon, taking into account the prime contractor's~~
29 ~~experience, expertise, existing labor agreements relating~~
30 ~~to safety issues, and any unique safety issues relating to~~
31 ~~the project.~~

32 ~~(3) This subdivision shall not affect any provision in a~~
33 ~~collective bargaining agreement specified in Section~~
34 ~~3201.5 of the Labor Code that is submitted by the prime~~
35 ~~contractor with its construction bid.~~

36 ~~(4) For purposes of this subdivision,~~
37 ~~“owner-controlled or wrap-up insurance” means a series~~
38 ~~of insurance policies issued to cover all of the contractors~~
39 ~~and subcontractors on a given project for purposes of~~
40 ~~general liability and workers' compensation.~~



1 ~~(5) For purposes of this subdivision, “public works~~
2 ~~project” means construction being performed at one site~~
3 ~~or at a series of contiguous sites separated only by a street,~~
4 ~~roadway, waterway, or railroad right of way, or along a~~
5 ~~continuous system for the provision of water and power.~~

6 ~~(e) As used in this section, “public agency” means any~~
7 ~~city, county, city and county, district, municipal or public~~
8 ~~corporation, or any agency or instrumentality thereof.~~

9 *SEC. 18. Section 4420.5 is added to the Government*
10 *Code, to read:*

11 *4420.5. (a) Subdivision (b) of Section 4420 shall not*
12 *apply to any construction or renovation project*
13 *undertaken by a school district.*

14 *(b) The district may use owner-controlled or wrap-up*
15 *insurance with regard to a construction or renovation*
16 *project if the district makes the following determinations:*

17 *(1) Prospective bidders, including contractors and*
18 *subcontractors, meet minimum occupational safety and*
19 *health qualifications established to bid on the project. The*
20 *evaluation of prospective bidders shall be based on*
21 *consideration of the following factors:*

22 *(A) Serious and willful violations of Part 1*
23 *(commencing with Section 6300) of Division 5 of the*
24 *Labor Code, by a contractor or subcontractor during the*
25 *past five-year period.*

26 *(B) The contractor’s or subcontractor’s workers’*
27 *compensation experience modification factor.*

28 *(C) A contractor’s or subcontractor’s injury*
29 *prevention program instituted pursuant to Section 3201.5*
30 *or 6401.7 of the Labor Code.*

31 *(2) The use of owner-controlled or wrap-up insurance*
32 *will maximize the expenditure of public funds on the*
33 *project in conjunction with the exercise of appropriate*
34 *risk management.*

35 *(c) For purposes of this section, “owner-controlled or*
36 *wrap-up insurance” means a series of insurance policies*
37 *issued to cover all of the contractors and subcontractors*
38 *on a given project for purposes of general liability and*
39 *workers’ compensation.*



1 (d) Any use of owner-controlled or wrap-up insurance
2 pursuant to this section shall be subject to subparagraphs
3 (B), (C), (D), and (E) of paragraph (1) of subdivision
4 (d) of Section 4420 and paragraphs (2) and (3) of that
5 subdivision.

6 SEC. 19. Section 65995 of the Government Code is
7 amended to read:

8 65995. (a) Except for a fee, charge, dedication, or
9 other requirement authorized under Section 17620 of the
10 Education Code, or pursuant to Chapter 4.7
11 (commencing with Section 65970), a fee, charge,
12 dedication, or other requirement for the construction or
13 reconstruction of school facilities may not be levied or
14 imposed in connection with, or made a condition of, any
15 legislative or adjudicative act, or both, by any state or
16 local agency involving, but not limited to, the planning,
17 use, or development of real property, or any change in
18 governmental organization or reorganization, as defined
19 in Section 56021 or 56073. ~~A condition that prohibits the~~
20 ~~issuance of a building permit for new construction until~~
21 ~~payment of a fee, charge, dedication, or other~~
22 ~~requirement for the construction or reconstruction of~~
23 ~~school facilities authorized under Section 17620 of the~~
24 ~~Education Code, shall be imposed at the time of approval~~
25 ~~or conditional approval of the tentative subdivision map,~~
26 ~~vesting tentative map, or parcel map. If the construction~~
27 ~~does not require a tentative or parcel map, the fee,~~
28 ~~charge, dedication, or other requirement may be~~
29 ~~imposed on a similar approval, such as a planned unit~~
30 ~~development permit, site development, or a conditional~~
31 ~~use permit that authorizes construction.~~

32 (b) Except as provided in Sections 65995.5 and 65995.7,
33 the amount of any fees, charges, dedications, or other
34 requirements authorized under Section 17620 of the
35 Education Code, or pursuant to Chapter 4.7
36 (commencing with Section 65970), or both, may not
37 exceed the following:

38 (1) In the case of residential construction, including
39 the location, installation, or occupancy of manufactured
40 homes and mobilehomes, one dollar and ninety-three



1 cents (\$1.93) per square foot of assessable space.
2 “Assessable space,” for this purpose, means all of the
3 square footage within the perimeter of a residential
4 structure, not including any carport, walkway, garage,
5 overhang, patio, enclosed patio, detached accessory
6 structure, or similar area. The amount of the square
7 footage within the perimeter of a residential structure
8 shall be calculated by the building department of the city
9 or county issuing the building permit, in accordance with
10 the standard practice of that city or county in calculating
11 structural perimeters. “Manufactured home” and
12 “mobilehome” have the meanings set forth in subdivision
13 (f) of Section 17625 of the Education Code. The
14 application of any fee, charge, dedication, or other form
15 of requirement to the location, installation, or occupancy
16 of manufactured homes and mobilehomes is subject to
17 Section 17625 of the Education Code.

18 (2) In the case of any commercial or industrial
19 construction, thirty-one cents (\$0.31) per square foot of
20 chargeable covered and enclosed space. “Chargeable
21 covered and enclosed space,” for this purpose, means the
22 covered and enclosed space determined to be within the
23 perimeter of a commercial or industrial structure, not
24 including any storage areas incidental to the principal use
25 of the construction, garage, parking structure,
26 unenclosed walkway, or utility or disposal area. The
27 determination of the chargeable covered and enclosed
28 space within the perimeter of a commercial or industrial
29 structure shall be made by the building department of the
30 city or county issuing the building permit, in accordance
31 with the building standards of that city or county.

32 (3) The amount of the limits set forth in paragraphs
33 (1) and (2) shall be increased in 2000, and every two years
34 thereafter, according to the adjustment for inflation set
35 forth in the statewide cost index for class B construction,
36 as determined by the State Allocation Board at its January
37 meeting, which increase shall be effective as of the date
38 of that meeting.

39 (c) (1) Notwithstanding any other provision of law,
40 during the term of a contract entered into between a



1 subdivider or builder and a school district, city, county, or
2 city and county, whether general law or chartered, on or
3 before January 1, 1987, that requires the payment of a fee,
4 charge, or dedication for the construction of school
5 facilities as a condition to the approval of residential
6 construction, neither Section 17620 of the Education
7 Code nor this chapter applies to that residential
8 construction.

9 (2) Notwithstanding any other provision of state or
10 local law, construction that is subject to a contract
11 entered into between a person and a school district, city,
12 county, or city and county, whether general law or
13 chartered, after January 1, 1987, and before the operative
14 date of the act that adds paragraph (3) that requires the
15 payment of a fee, charge, or dedication for the
16 construction of school facilities as a condition to the
17 approval of construction, may not be affected by the
18 ~~provisions of the act that adds paragraph (3).~~

19 (3) Notwithstanding any other provision of state or
20 local law, until January 1, 2000, any construction not
21 subject to a contract as described in paragraph (2) that is
22 carried out on real property for which residential
23 development was made subject to a condition relating to
24 school facilities imposed by a state or local agency in
25 connection with a legislative act approving or authorizing
26 the residential development of that property after
27 January 1, 1987, and before the operative date of the act
28 adding this paragraph, shall be required to comply with
29 that condition.

30 Notwithstanding any other provision of state or local
31 law, on and after January 1, 2000, any construction not
32 subject to a contract as described in paragraph (2) that is
33 carried out on real property for which residential
34 development was made subject to a condition relating to
35 school facilities imposed by a state or local agency in
36 connection with a legislative act approving or authorizing
37 the residential development of that property after
38 January 1, 1987, and before the operative date of the act
39 adding this paragraph, may not be subject to a fee, charge,
40 dedication, or other requirement exceeding the amount



1 specified in paragraphs (1) and (2) of subdivision (b), or,
2 if a district has increased the limit specified in paragraph
3 (1) of subdivision (b) pursuant to either Section 65995.5
4 or 65995.7, that increased amount.

5 (4) Any construction that is not subject to a contract as
6 described in paragraph (2), or to paragraph (3), and that
7 satisfies both of the requirements of this paragraph, may
8 not be subject to any increased fee, charge, dedication, or
9 other requirement authorized by the act that adds this
10 paragraph beyond the amount specified in paragraphs
11 (1) and (2) of subdivision (b).

12 (A) A tentative map, development permit, or
13 conditional use permit was approved before the
14 operative date of the act that amends this subdivision.

15 (B) A building permit is issued before January 1, 2000.

16 (d) For purposes of this chapter, “construction”
17 means new construction and reconstruction of existing
18 building for residential, commercial, or industrial.
19 “Residential, commercial, or industrial construction”
20 does not include any facility used exclusively for religious
21 purposes that is thereby exempt from property taxation
22 under the laws of this state, any facility used exclusively
23 as a private full-time day school as described in Section
24 48222 of the Education Code, or any facility that is owned
25 and occupied by one or more agencies of federal, state, or
26 local government. In addition, “commercial or industrial
27 construction” includes, but is not limited to, any hotel,
28 inn, motel, tourist home, or other lodging for which the
29 maximum term of occupancy for guests does not exceed
30 30 days, but does not include any residential hotel, as
31 defined in paragraph (1) of subdivision (b) of Section
32 50519 of the Health and Safety Code.

33 (e) The Legislature finds and declares that the
34 financing of school facilities and the mitigation of the
35 impacts of land use approvals, whether legislative or
36 adjudicative, or both, on the need for school facilities are
37 matters of statewide concern. For this reason, the
38 Legislature hereby occupies the subject ~~matters~~ *matter*
39 of requirements related to school facilities levied or
40 imposed in connection with, or made a condition of, any



1 land use approval, whether legislative or adjudicative act,
2 or both, and the mitigation of the impacts of land use
3 approvals, whether legislative or adjudicative, or both, on
4 the need for school facilities, to the exclusion of all other
5 measures, financial or nonfinancial, on the subjects. For
6 purposes of this subdivision, “school facilities” means any
7 school-related consideration relating to a school district’s
8 ability to accommodate enrollment.

9 (f) Nothing in this section shall be interpreted to limit
10 or prohibit the use of Chapter 2.5 (commencing with
11 Section 53311) of Division 2 of Title 5 to finance the
12 construction or reconstruction of school facilities.
13 However, the use of Chapter 2.5 (commencing with
14 Section 53311) of Division 2 of Title 5 may not be required
15 as a condition of approval of any legislative or
16 adjudicative act, or both, if the purpose of the community
17 facilities district is to finance school facilities.

18 (g) (1) The refusal of a person to agree to undertake
19 or cause to be undertaken an act relating to Chapter 2.5
20 (commencing with Section 53311) of Division 2 of Title
21 5, including formation of, or annexation to, a community
22 facilities district, voting to levy a special tax, or
23 authorizing another to vote to levy a special tax, may not
24 be a factor when considering the approval of a legislative
25 or adjudicative act, or both, involving, but not limited to,
26 the planning, use, or development of real property, or any
27 change in governmental organization or reorganization,
28 as defined in ~~Sections~~ *Section* 56021 or 56073, if the
29 purpose of the community facilities district is to finance
30 school facilities.

31 (2) If a person voluntarily elects to establish, or annex
32 into, a community facilities district and levy a special tax
33 approved by landowner vote to finance school facilities,
34 the present value of the special tax specified in the
35 resolution of formation shall be calculated as an amount
36 per square foot of assessable space and that amount shall
37 be a credit against any applicable fee, charge, dedication,
38 or other requirement for the construction or
39 reconstruction of school facilities. For purposes of this
40 paragraph, the calculation of present value shall use the



1 interest rate paid on the United States Treasury’s 30-year
2 bond on the date of the formation of, or annexation to, the
3 community facilities district, as the capitalization rate.

4 (3) For purposes of subdivisions (f), (h), and (i), and
5 this subdivision, “school facilities” means any
6 school-related consideration relating to a school district’s
7 ability to accommodate enrollment.

8 (h) The payment or satisfaction of a fee, charge, or
9 other requirement levied or imposed pursuant to Section
10 17620 of the Education Code in the amount specified in
11 Section 65995 and, if applicable, any amounts specified in
12 Section 65995.5 or 65995.7 are hereby deemed to be full
13 and complete mitigation of the impacts of any legislative
14 or adjudicative act, or both, involving, but not limited to,
15 the planning, use, or development of real property, or any
16 change in governmental organization or reorganization
17 as defined in Section 56021 or 56073, on the provision of
18 adequate school facilities.

19 (i) A state or local agency may not deny or refuse ~~or~~
20 to approve a legislative or adjudicative act, or both,
21 involving, but not limited to, the planning, use, or
22 development of real property, or any change in
23 governmental organization or reorganization as defined
24 in Section 56021 or 56073 on the basis of a person’s refusal
25 to provide school facilities mitigation that exceeds the
26 amounts authorized pursuant to this section or pursuant
27 to Section 65995.5 or 65995.7, as applicable.

28 SEC. 20. Section 65995.5 is added to the Government
29 Code, to read:

30 65995.5. (a) The governing board of a school district
31 may impose the amount calculated pursuant to this
32 section as an alternative to the amount that may be
33 imposed on residential construction calculated pursuant
34 to subdivision (b) of Section 65995.

35 (b) To be eligible to impose the fee, charge,
36 dedication, or other requirement up to the amount
37 calculated pursuant to this section, a governing board
38 shall do all of the following:

39 (1) Make a timely application to the State Allocation
40 Board for new construction funding for which it is eligible



1 and be determined by the board to meet the eligibility
2 requirements for new construction funding set forth in
3 Article 2 (commencing with Section 17071.10) and
4 Article 3 (commencing with Section 17071.75) of Chapter
5 12.5 of Part 10 of the Education Code. A governing board
6 that submits an application to determine the district's
7 eligibility for new construction funding shall be deemed
8 eligible if the State Allocation Board fails to notify the
9 district of the district's eligibility within 120 days of
10 receipt of the application.

11 (2) Conduct and adopt a school facility needs analysis
12 pursuant to Section 65995.6.

13 ~~(3) Satisfy at least two of the requirements set forth in~~
14 ~~paragraphs (A) to (D), inclusive:~~

15 *(3) Until January 1, 2000, satisfy at least one of the*
16 *requirements set forth in subparagraphs (A) to (D),*
17 *inclusive, and, on and after January 1, 2000, satisfy at least*
18 *two of the requirements set forth in subparagraphs (A)*
19 *to (D), inclusive:*

20 (A) The district is a unified or elementary school
21 district that has a substantial enrollment of its elementary
22 school pupils on a multitrack year-round schedule.
23 "Substantial enrollment" for purposes of this paragraph
24 means ~~at least 30 percent of district pupils in kindergarten~~
25 ~~and grades 1 to 6, inclusive, in the high school attendance~~
26 ~~area in which all or some of the new residential units~~
27 ~~identified in the needs analysis are planned for~~
28 ~~construction. A high school district shall be deemed to~~
29 ~~have met the requirements of this paragraph if at least 30~~
30 ~~percent of the high school district's pupils are on a~~
31 ~~multitrack year-round schedule. either of the following~~
32 ~~apply:~~

33 *(i) At least 30 percent of the high school district's*
34 *pupils are on a multitrack year-round schedule.*

35 *(ii) At least 40 percent of the pupils enrolled in public*
36 *schools in kindergarten and grades 1 to 12, inclusive,*
37 *within the boundaries of the high school attendance area*
38 *for which the school district is applying for new facilities*
39 *are enrolled in multitrack year-round schools.*



1 (B) The district has placed on the ballot in the
2 previous four years a local general obligation bond to
3 finance school facilities and the measure received at least
4 50 percent plus one of the votes cast.

5 ~~(C) (1) The district has issued debt for capital outlay
6 in an amount equivalent to 15 percent of the district's
7 local bonding capacity, including indebtedness that is
8 repaid from property taxes, parcel taxes, the district's
9 general fund, special taxes levied pursuant to Section 4 of
10 Article XIII A of the California Constitution, special taxes
11 levied pursuant to Chapter 2.5 (commencing with
12 Section 53311) of Division 2 of Title 5 that are approved
13 by a vote of registered voters, and revenues received
14 pursuant to the Community Redevelopment Law (Part
15 1 (commencing with Section 33000) of Division 24 of the
16 Health and Safety Code).~~

17 ~~(2) The district has issued debt for capital outlay or an
18 amount equivalent to 30 percent of the district's local
19 bonding capacity.~~

20 (C) *The district meets one of the following:*

21 (i) *The district has issued debt or incurred obligations
22 for capital outlay in an amount equivalent to 15 percent
23 of the district's local bonding capacity, including
24 indebtedness that is repaid from property taxes, parcel
25 taxes, the district's general fund, special taxes levied
26 pursuant to Section 4 of Article XIII A of the California
27 Constitution, special taxes levied pursuant to Chapter 2.5
28 (commencing with Section 52211) of Division 2 of Title
29 5 that are approved by a vote of registered voters, special
30 taxes levied pursuant to Chapter 2.5 (commencing with
31 Section 52211) of Division 2 of Title 5 that are approved
32 by a vote of landowners prior to November 4, 1998, and
33 revenues received pursuant to the Community
34 Redevelopment Law (Part 1 (commencing with Section
35 33000) of Division 24 of the Health and Safety Code).
36 Indebtedness or other obligation to finance school
37 facilities to be owned, leased, or used by the district, that
38 is incurred by another public agency, shall be counted for
39 the purpose of calculating whether the district has met
40 the debt percentage requirement contained herein.*



1 (ii) *The district has issued debt or incurred obligations*
2 *for capital outlay in an amount equivalent to 30 percent*
3 *of the district's local bonding capacity, including*
4 *indebtedness that is repaid from property taxes, parcel*
5 *taxes, the district's general fund, special taxes levied*
6 *pursuant to Section 4 of Article XIII A of the California*
7 *Constitution, special taxes levied pursuant to Chapter 2.5*
8 *(commencing with Section 52211) of Division 2 of Title*
9 *5 that are approved by a vote of registered voters, special*
10 *taxes levied pursuant to Chapter 2.5 (commencing with*
11 *Section 52211) of Division 2 of Title 5 that are approved*
12 *by a vote of landowners after November 4, 1998, and*
13 *revenues received pursuant to the Community*
14 *Redevelopment Law (Part 1 (commencing with Section*
15 *33000) of Division 24 of the Health and Safety Code).*
16 *Indebtedness or other obligation to finance school*
17 *facilities to be owned, leased, or used by the district, that*
18 *is incurred by another public agency, shall be counted for*
19 *the purpose of calculating whether the district has met*
20 *the debt percentage requirement contained herein.*

21 (D) At least 20 percent of the teaching stations within
22 the district are relocatable classrooms.

23 (c) The maximum square foot fee, charge, dedication,
24 or other requirement authorized by this section that may
25 be collected in accordance with Chapter 6 (commencing
26 with Section 17620) of Part 10.5 of the Education Code
27 shall be calculated by a governing board of a school
28 district, as follows:

29 (1) The number of unhoused pupils identified in the
30 school facilities needs analysis shall be multiplied by the
31 appropriate amounts provided in subdivision (a) of
32 Section 17072.10. This sum shall be added to the site
33 acquisition and development cost determined pursuant
34 to subdivision (h).

35 (2) The full amount of local funds the governing board
36 has dedicated to facilities necessitated by new
37 construction shall be subtracted from the amount
38 determined pursuant to paragraph (1). Local funds
39 include fees, charges, dedications, or other requirements
40 imposed on commercial or industrial construction.



1 (3) The resulting amount determined pursuant to
2 paragraph (2) shall be divided by the projected total
3 square footage of assessable space of residential units
4 anticipated to be constructed during the next five-year
5 period in the school district or the city and county in
6 which the school district is located. The estimate of the
7 projected total square footage shall be based on
8 information available from the city or county within
9 which the residential units are anticipated to be
10 constructed or a market report prepared by an
11 independent third party.

12 (d) A school district that has a common territorial
13 jurisdiction with a district that imposes the fee, charge,
14 dedication, or other requirement up to the amount
15 calculated pursuant to this section or Section 65995.7, may
16 not impose a fee, charge, dedication, or other
17 requirement on residential construction that exceeds the
18 limit set forth in subdivision (b) of Section 65995 less the
19 portion of that amount it would be required to share
20 pursuant to Section 17623 of the Education Code, unless
21 that district is eligible to impose the fee, charge,
22 dedication, or other requirement up to the amount
23 calculated pursuant to this section or Section 65995.7.

24 (e) Nothing in this section is intended to limit or
25 discourage the joint use of school facilities or to limit the
26 ability of a school district to construct school facilities that
27 exceed the amount of funds authorized by Section 17620
28 of the Education Code and provided by the state grant
29 program, if the additional costs are funded solely by local
30 revenue sources other than fees, charges, dedications, or
31 other requirements imposed on new construction.

32 (f) A fee, charge, dedication, or other requirement
33 authorized under Section 17620 of the Education Code or
34 pursuant to Chapter 4.7 (commencing with Section
35 65970) shall be expended solely on the school facilities
36 identified in the needs analysis as being attributable to
37 projected enrollment growth from the construction of
38 new residential units.

39 (g) “Residential units” and “residences” as used in this
40 section and in Sections 65995.6 and 65995.7 means the



1 development of single-family detached housing units,
2 single-family attached housing units, manufactured
3 homes and mobile homes, as defined in subdivision (f) of
4 Section 17625 of the Education Code, condominiums, and
5 multifamily housing units, including apartments,
6 residential hotels, as defined in paragraph (1) of
7 subdivision (b) of Section 50519 of the Health and Safety
8 Code, and stock cooperatives, as defined in Section 1351
9 of the Civil Code.

10 (h) Site acquisition costs shall not exceed half the
11 amount determined by multiplying the land acreage
12 determined to be necessary under the guidelines of the
13 State Department of Education, as published in the
14 ~~‘School Site Analysis and Development Handbook,’~~ as
15 *“School Site Analysis and Development Handbook,”* as
16 that handbook read as of January 1, 1998, by the estimated
17 cost determined pursuant to Section 17072.12 of the
18 Education Code. Site development costs shall not exceed
19 two times the amount funded by the State Allocation
20 Board.

21 SEC. 21. Section 65995.6 is added to the Government
22 Code, to read:

23 65995.6. (a) The school facilities needs analysis
24 required by paragraph (2) of subdivision (b) of Section
25 65995.5 shall be conducted by the governing board of a
26 school district to determine the need for new school
27 facilities for unhoused pupils that are attributable to
28 projected enrollment growth from the development of
29 new residential units over the next five years. The school
30 facilities needs analysis shall project the number of
31 unhoused elementary, middle, and high school pupils
32 generated by new residential units, in each category of
33 ~~pupil~~ *pupils* enrolled in the district. This projection of
34 unhoused pupils shall be based on the historical student
35 generation rates of new residential units constructed
36 during the previous five years that are of a similar type of
37 unit to those anticipated to be constructed either in the
38 school district or the city or county in which the school
39 district is located, and relevant planning agency
40 information, such as multiphased development projects,



1 that may modify the historical figures. For purposes of
2 this paragraph, “type” means a single family detached,
3 single family attached, or multifamily unit. The existing
4 school building capacity shall be calculated pursuant to
5 Article 2 (commencing with Section 17071.10) of Chapter
6 12.5 of Part 10 of the Education Code. If a district meets
7 the requirements of paragraph (3) of subdivision (b) of
8 Section 65995.5 by having a substantial enrollment on a
9 multitrack year-round schedule, the determination of
10 whether the district has school building capacity area
11 shall reflect the additional capacity created by the
12 multitrack year-round schedule.

13 (b) When determining the funds necessary to meet its
14 facility needs, the governing board shall do each of the
15 following:

16 (1) Identify and consider any surplus property owned
17 by the district that can be used as a schoolsite or that is
18 available for sale to finance school facilities.

19 (2) Identify and consider the extent to which
20 projected enrollment growth may be accommodated by
21 excess capacity in existing facilities.

22 (3) Identify and consider local sources other than fees,
23 charges, dedications, or other requirements imposed on
24 residential construction available to finance the
25 construction or reconstruction of school facilities needed
26 to accommodate any growth ~~attributable~~ in enrollment
27 attributable to the construction of new residential units.

28 (c) The governing board shall adopt the school facility
29 needs analysis by resolution at a public hearing. The
30 school facilities needs analysis may not be adopted until
31 the school facilities needs analysis in its final form has
32 been made available to the public for a period of not less
33 than 30 days during which time the school facilities needs
34 analysis shall be provided to the local agency responsible
35 for land use planning for its review and comment. Prior
36 to the adoption of the school facilities needs analysis, the
37 public shall have the opportunity to review and comment
38 on the school facilities needs analysis and the governing
39 board shall respond to written comments it receives
40 regarding the school facilities needs analysis.



1 (d) Notice of the time and place of the hearing,
2 including the location and procedure for viewing or
3 requesting a copy of the proposed school ~~facility~~ *facilities*
4 needs analysis and any proposed revision of the school
5 facilities needs analysis, shall be published in at least one
6 newspaper of general circulation within the jurisdiction
7 of the school district that is conducting the hearing no less
8 than 30 days prior to the hearing. If there is no paper of
9 general circulation, the notice shall be posted in at least
10 three conspicuous public places within the jurisdiction of
11 the school district not less than 30 days prior to the
12 hearing. In addition to these notice requirements, the
13 governing board shall mail a copy of the school facilities
14 needs analysis and any proposed revision to the school
15 facilities needs analysis not less than 30 days prior to the
16 hearing to any person who has made a written request if
17 the written request was made 45 days prior to the hearing.
18 The governing board may charge a fee reasonably related
19 to the cost of providing these materials to those persons
20 who request the school ~~facility~~ *facilities* needs analysis or
21 revision.

22 (e) The school ~~facility~~ *facilities* needs analysis may be
23 revised *at any time* in the same manner, and the revision
24 is subject to the same conditions and requirements,
25 applicable to the adoption of the school facilities needs
26 analysis.

27 (f) A fee, charge, dedication, or other requirement in
28 an amount authorized by this section or Section 65995.7,
29 shall be adopted by a resolution of the governing board
30 as part of the adoption or revision of the school facilities
31 needs analysis and may not be effective for more than one
32 year. Notwithstanding subdivision (a) of Section 17621 of
33 the Education Code, or any other provision of law, the
34 fee, charge, dedication, or other requirement authorized
35 by the resolution shall take effect immediately after the
36 adoption of the resolution.

37 (g) Division 13 (commencing with Section 21000) of
38 the Public Resources Code may not apply to the
39 preparation, adoption, or update of the school facilities



1 needs analysis, or adoption of the resolution specified in
2 this section.

3 (h) ~~A notice~~ *Notice* and hearing requirements other
4 than those provided in this section may not be applicable
5 to the adoption or revision of a school ~~facility~~ *facilities*
6 needs analysis or the resolutions adopted pursuant to this
7 section.

8 SEC. 22. Section 65995.7 is added to the Government
9 Code, to read:

10 65995.7. (a) If state funds for new school facility
11 construction are not available, the governing board of a
12 school district that complies with Section 65995.5 may
13 increase the alternative fee, charge, dedication, or other
14 requirement calculated pursuant to subdivision (c) of
15 Section 65995.5 by an amount that may not exceed the
16 amount calculated pursuant to subdivision (c) of Section
17 65995.5, except that for the purposes of calculating this
18 additional amount, the amount identified in paragraph
19 (2) of subdivision (c) *of Section 65995.5* may not be
20 subtracted from the amount determined pursuant to
21 paragraph (1) of subdivision (c) *of Section 65995.5*. For
22 purposes of this section, state funds are not available if the
23 State Allocation Board is no longer approving
24 apportionments for new construction pursuant to Article
25 5 (commencing with Section 17072.20) of Chapter 12.5 of
26 Part 10 of the Education Code due to a lack of funds
27 available for new construction. *Upon making a*
28 *determination that state funds are no longer available,*
29 *the State Allocation Board shall notify the Secretary of the*
30 *Senate and the Chief Clerk of the Assembly, in writing,*
31 *of that determination and the date when state funds are*
32 *no longer available for publication in the respective*
33 *journal of each house.*

34 (b) A governing board may ~~not impose the~~
35 ~~supplemental amount authorized by subdivision (a)~~
36 ~~unless all of the following occur:~~

37 ~~(1) The board first offers~~ *offer* a reimbursement
38 election to the person subject to the fee, charge,
39 dedication, or other requirement that provides the
40 person with the right to monetary reimbursement of the



1 supplemental amount authorized by this section, to the
2 extent that the district receives funds from state sources
3 for construction of the facilities for which that amount
4 was required, less any amount expended by the district
5 for interim housing. At the option of the person subject
6 to the fee, charge, dedication, or other requirement the
7 reimbursement election may be made on a tract or lot
8 basis. Reimbursement of available funds shall be made
9 within 30 days as they are received by the district.

10 ~~(2) The board offers~~

11 ~~(c) A governing board may offer the person subject to~~
12 ~~the fee, charge, dedication, or other requirement an~~
13 ~~opportunity to negotiate an alternative reimbursement~~
14 ~~agreement if the terms of the agreement are mutually~~
15 ~~agreed upon.~~

16 ~~(3) The board provides~~

17 ~~(d) A governing board may provide that the rights~~
18 ~~granted by the reimbursement election or the alternative~~
19 ~~reimbursement agreement are assignable.~~

20 ~~(4) The person subject to the fee, charge, dedication,~~
21 ~~or other requirement, or his or her assignee, elects to do~~
22 ~~one of the following:~~

23 ~~(A) Accept monetary reimbursement pursuant to~~
24 ~~paragraph (2).~~

25 ~~(B) Enter into an alternative reimbursement~~
26 ~~agreement.~~

27 ~~(C) Decline reimbursement.~~

28 ~~(e) A city or county, whether general law or~~
29 ~~chartered, may not issue a building permit for any~~
30 ~~residential construction subject to the amount authorized~~
31 ~~by this section in a district where the governing board has~~
32 ~~adopted a resolution imposing the supplemental amount~~
33 ~~authorized by this section unless the person subject to the~~
34 ~~fee, charge, dedication, or other requirement, makes the~~
35 ~~election described in paragraph (4) of subdivision (b)~~
36 ~~and is provided with an executed copy of the election.~~

37 SEC. 23. Section 65996 of the Government Code is
38 amended to read:

39 65996. (a) Notwithstanding Section 65858, or
40 Division 13 (commencing with Section 21000) of the



1 Public Resources Code, or any other provision of state or
2 local law, the following provisions shall be the exclusive
3 methods of considering and mitigating impacts on school
4 facilities—~~which~~ *that* occur or might occur as a result of any
5 legislative or adjudicative act, or both, by any state or
6 local agency involving, but not limited to, the planning,
7 use, or development of real property or any change of
8 governmental organization or reorganization, as defined
9 in Section 56021 or 56073:

10 (1) Section 17620 of the Education Code.

11 (2) Chapter 4.7 (commencing with Section 65970) of
12 Division 1 of Title 7.

13 (b) The provisions of this chapter are hereby deemed
14 to provide full and complete school facilities mitigation
15 and, notwithstanding Section 65858, or Division 13
16 (commencing with Section 21000) of the Public
17 Resources Code, or any other provision of state or local
18 law, a state or local agency may not deny or refuse to
19 approve a legislative or adjudicative act, or both,
20 involving, but not limited to, the planning, use, or
21 development of real property or any change in
22 governmental organization or reorganization, as defined
23 in Section 56021 or 56073, on the basis that school facilities
24 are inadequate.

25 (c) For purposes of this section, “school facilities”
26 means any school-related consideration relating to a
27 school district’s ability to accommodate enrollment.

28 (d) Nothing in this chapter shall be interpreted to
29 limit or prohibit the ability of a local agency to utilize
30 other methods to provide school facilities if these
31 methods are not levied or imposed in connection with, or
32 made a condition of, a legislative or adjudicative act, or
33 both, involving, but not limited to, the planning, use, or
34 development of real property or a change in
35 governmental organization or reorganization, as defined
36 in Section 56021 or 56073. Nothing in this chapter shall be
37 interpreted to limit or prohibit the assessment or
38 reassessment of property in conjunction with ad valorem
39 taxes, or the placement of a parcel on the secured roll in



1 conjunction with qualified special taxes as that term is
2 used in Section 50079.

3 (e) Nothing in this section shall be interpreted to limit
4 or prohibit the ability of a local agency to mitigate the
5 impacts of land use approvals other than on the need for
6 school facilities, as defined in this section.

7 (f) This section shall become inoperative during
8 ~~anytime that Section 65997 becomes operative. any time~~
9 *that Section 65997 is operative and this section shall*
10 *become operative at any time that Section 65997 is*
11 *inoperative.*

12 SEC. 24. Section 65997 is added to the Government
13 Code, to read:

14 65997. (a) The following provisions shall be the
15 exclusive methods of mitigating environmental effects
16 related to the adequacy of school facilities when
17 considering the approval or the establishment of
18 conditions for the approval of a development project, as
19 defined in Section 17620, pursuant to Division 13
20 (commencing with Section 21000) of the Public
21 Resources Code:

22 (1) Chapter 12 (commencing with Section 17000) of
23 Part 10 of the Education Code or Chapter 12.5
24 (commencing with Section 17070.10).

25 (2) Chapter 14 (commencing with Section 17085) of
26 Part 10 of the Education Code.

27 (3) Chapter 18 (commencing with Section 17170) of
28 Part 10 of the Education Code.

29 (4) Article 2.5 (commencing with Section 17430) of
30 Chapter 4 of Part 10.5 of the Education Code.

31 (5) Section 17620 of the Education Code.

32 (6) Chapter 2.5 (commencing with Section 53311) of
33 Division 2 of Title 5 of the Government Code.

34 (7) Chapter 4.7 (commencing with Section 65970) of
35 Division 1 of Title 7 of the Government Code.

36 (b) A public agency may not, pursuant to Division 13
37 (commencing with Section 21000) of the Public
38 Resources Code or Division 2 (commencing with Section
39 66410) of this code, deny approval of a project on the basis
40 of the adequacy of school facilities.



1 (c) (1) This section shall become operative on or after
 2 any statewide election in 2006, if a statewide general
 3 obligation bond measure submitted for voter approval in
 4 2006 or thereafter that includes bond issuance authority
 5 to fund construction of kindergarten and grades 1 to 12,
 6 inclusive, public school facilities is submitted to the voters
 7 and fails to be approved.

8 (2) (A) This section shall become inoperative if
 9 subsequent to the failure of a general obligation bond
 10 measure described in paragraph (1) a statewide general
 11 bond measure as described in paragraph (1) is approved
 12 by the voters, ~~unless a later enacted statute deletes or~~
 13 ~~extends that date.~~

14 (B) Thereafter, this section shall become operative if
 15 a statewide general obligation bond measure submitted
 16 for voter approval that includes bond issuance authority
 17 to fund construction of kindergarten and grades 1 to 12,
 18 inclusive, public school facilities is submitted to the voters
 19 and fails to be approved and shall become inoperative if
 20 subsequent to the failure of the general obligation bond
 21 measure a statewide bond measure as described in this
 22 subparagraph is approved by the voters.

23 ~~SEC. 25. Chapter 8 (commencing with Section 50700)~~
 24 ~~is added to Division 31 of the Health and Safety Code, to~~
 25 ~~read:~~

26
 27 ~~CHAPTER 8. DEVELOPER FEE ASSISTANCE~~

28
 29 ~~50700. It is the intent of the Legislature that the~~
 30 ~~department develop two pilot programs to address the~~
 31 ~~need of home buyers and renters who are impacted by~~
 32 ~~the cost of housing attributable to developer fees for~~
 33 ~~school facilities imposed on new construction of~~
 34 ~~residential housing. The goal of the pilot programs is to~~
 35 ~~balance the need for new school facilities to house the~~
 36 ~~increased population of pupils resulting from new~~
 37 ~~residential construction with the need to provide~~
 38 ~~affordable housing.~~



1 50701. There are hereby established two pilot
2 programs to be administered by the department to
3 provide developer fee assistance.

4 (a) The first pilot program shall make payments to
5 developers of affordable housing to reimburse the
6 developer for school facility fees paid pursuant to
7 subdivision (b) of Section 65995, Section 65995.5, or
8 Section 65995.7 of the Government Code for residential
9 construction. To qualify for this reimbursement, the
10 developer shall do all of the following:

11 (1) Commence the construction of the affordable
12 housing units on or after January 1, 1999.

13 (2) Use the proceeds of the reimbursement to
14 maintain the affordability of the housing units.

15 (A) With respect to rental units, to qualify for the
16 program the renters shall have a combined median
17 household income of not more than 60 percent of the area
18 median income and the unit shall have a deed restriction
19 insuring the affordability of the unit for a period of not less
20 than 30 years.

21 (B) With respect to owner-occupied housing, to
22 qualify for the program the purchasers shall have a
23 combined median household income of not more than 80
24 percent of the median area income and the unit shall
25 have a deed restriction insuring the affordability of the
26 unit for a period of not less than 5 years.

27 (b) The second pilot program shall make payments to
28 developers of owner-occupied housing to reimburse the
29 developer for school facility fees paid that are in excess of
30 the amounts imposed pursuant to subdivision (b) of
31 Section 65995 of the Government Code for residential
32 construction. To qualify for this reimbursement, the
33 developer shall do both of the following:

34 (1) Commence construction of the owner-occupied
35 housing on or after January 1, 1999.

36 (2) Sell the housing unit for one hundred ten thousand
37 dollars (\$110,000) or less, or construct the housing in a
38 county with an unemployment rate that equals or
39 exceeds 125 percent of the state unemployment rate and

1 where 500 or more housing units are constructed per
2 year.

3 (e) A developer shall only be reimbursed the amount
4 that the developer paid in excess of the amounts
5 calculated pursuant to subdivision (b) of Section 65995 of
6 the Government Code for residential construction.

7 50702. The Developer Fee Assistance Fund is hereby
8 established in the State Treasury and, notwithstanding
9 Section 13340 of the Government Code, is continuously
10 appropriated to the department for the purposes of this
11 chapter. The amount of one hundred sixty million dollars
12 (\$160,000,000) is hereby appropriated from the General
13 Fund to that fund. The department shall make payments
14 from that fund for a period of four years, as follows:

15 (a) Eighty million dollars (\$80,000,000) shall be
16 available for the first pilot program set forth in
17 subdivision (a) of Section 50701.

18 (b) Eighty million dollars (\$80,000,000) shall be
19 available for the second pilot program set forth in
20 subdivision (b) of Section 50701.

21 50703. It is the intent of the Legislature that a statute
22 be enacted to implement this chapter that does all of the
23 following:

24 (a) Specifies a state agency and local agencies to
25 administer these pilot programs.

26 (b) Establishes a timetable for implementation of
27 these pilot programs.

28 (c) Determines the manner in which the funds
29 appropriated for these pilot programs will be allocated.

30 (d) *Notwithstanding any other provision of law, a*
31 *public agency may deny or refuse to approve a legislative*
32 *act involving, but not limited to, the planning, use, or*
33 *development of real property, on the basis that school*
34 *facilities are inadequate, except that a public agency may*
35 *not require the payment or satisfaction of a fee, charge,*
36 *dedication, or other financial requirement in excess of*
37 *that levied or imposed pursuant to Section 65995 and, if*
38 *applicable, any amounts specified in Sections 65995.5 or*
39 *65995.7.*



1 SEC. 25. Section 65998 is added to the Government
2 Code to read:

3 65998. (a) Nothing in this chapter or in Section 17620
4 of the Education Code shall be interpreted to limit or
5 prohibit the authority of a local agency to reserve or
6 designate real property for a school site.

7 (b) Nothing in this chapter or in Section 17620 of the
8 Education Code shall be interpreted to limit or prohibit
9 the ability of a local agency to mitigate the impacts of a
10 land use approval involving, but not limited to, the
11 planning, use, or development of real property other than
12 on the need for school facilities.

13 SEC. 26. Chapter 9 (commencing with Section 51450)
14 is added to Division 31 of the Health and Safety Code, to
15 read:

16
17 CHAPTER 9. SCHOOL FACILITY FEE AFFORDABLE
18 HOUSING ASSISTANCE PROGRAMS
19

20 51450. (a) It is the intent of the Legislature that
21 affordable homebuyer and rental housing programs be
22 implemented to address the needs of economically
23 distressed entities in the state and the needs of very low,
24 low, and moderate income homebuyers and renters who
25 may be affected by the impact of school facility fees on the
26 development of affordable housing.

27 (b) The Department of General Services shall
28 contract with the California Housing Finance Agency for
29 the administration of the programs established by this
30 chapter and for the allocation of funds to the purchasers
31 of newly constructed residential structures and the
32 housing sponsors of housing developments, pursuant to
33 this chapter. The California Housing Finance Agency
34 shall administer these programs and allocate funds in
35 accordance with that agency's authority as set forth in
36 Part 3 (commencing with Section 50900) of Division 31.

37 51451. The Homebuyer Down Payment Assistance
38 Program and the Rental Assistance Program are hereby
39 established to provide assistance in the amount of the



1 applicable school facility fee on affordable housing
2 developments.

3 (a) A Homebuyer Down Payment Assistance Program
4 shall provide the following assistance:

5 (1) Down payment assistance to the purchaser of
6 newly constructed residential structures in a
7 development project in economically distressed areas in
8 the amount of school facility fees paid pursuant to
9 Sections 65995.5 or 65995.7 of the Government Code, less
10 the amount that would be required pursuant to
11 subdivision (b) of Section 65995 of the Government Code
12 notwithstanding Sections 65995.5 and 65995.7 of the
13 Government Code, if all of the following conditions are
14 met:

15 (A) The development project is located in a county
16 with an unemployment rate that equals or exceeds 125
17 percent of the state unemployment rate.

18 (B) Five hundred or more residential structures have
19 been constructed in the county during 1997.

20 (C) A building permit for an eligible residential
21 structure in the development project is issued by the local
22 agency on or after January 1, 1999.

23 (D) The eligible residential structure is to be owner
24 occupied for at least five years. If a structure is owner
25 occupied for fewer than five years, the recipient of the
26 assistance shall repay the School Facilities Fee Assistance
27 Fund the amount of the assistance, on a prorated basis.

28 (E) The sales price of the eligible residential structure
29 does not exceed 175 percent of the median sales price of
30 residential structures in the county during the average of
31 the previous five years.

32 (2) Down payment assistance to the purchaser of any
33 newly constructed residential structure in the
34 development project in the amount of school facility fees
35 paid pursuant to Sections 65995.5 or 65995.7 of the
36 Government Code, less the amount that would be
37 required pursuant to subdivision (b) of Section 65995 of
38 the Government Code notwithstanding Sections 65995.5
39 and 65995.7 of the Government Code, if all of the
40 following conditions are met:

1 (A) The development project is located in the state of
2 California.

3 (B) The sales price of the eligible residential structure
4 in the development project does not exceed one hundred
5 ten thousand dollars (\$110,000).

6 (C) A building permit for an eligible residential
7 structure in the development project is issued by the local
8 agency on or after January 1, 1999.

9 (D) The eligible residential structure is to be owner
10 occupied for at least five years. If a structure is owner
11 occupied for fewer than five years, the recipient of the
12 assistance shall repay the School Facilities Fee Assistance
13 Fund the amount of the assistance, on a prorated basis.

14 (3) Down payment to the purchaser of any newly
15 constructed residential structure in a development
16 project in the amount of school facility fees paid pursuant
17 to subdivision (b) of Section 65995 of the Government
18 Code, Section 65995.5 of the Government Code, or
19 Section 65995.7 of the Government Code for the eligible
20 residential structure if all of the following conditions are
21 met:

22 (A) The assistance is provided to a qualified first-time
23 homebuyer pursuant to Section 50068.5.

24 (B) The qualified first-time homebuyer meets the
25 very low or low income requirements set forth in Section
26 50052.5.

27 (C) A building permit for an eligible residential
28 structure in the development project is issued by the local
29 agency on or after January 1, 1999.

30 (D) The eligible residential structure is to be owner
31 occupied for at least five years. If a structure is owner
32 occupied for fewer than five years, the recipient of the
33 assistance shall repay the School Facilities Fee Assistance
34 Fund the amount of the assistance, on a prorated basis.

35 (b) A Rental Assistance Program shall provide
36 assistance to the housing sponsor of a housing
37 development in the amount of the school facility fees paid
38 pursuant to subdivision (b) of Section 65995 of the
39 Government Code, Section 65995.5 of the Government



1 Code, or Section 65995.7 of the Government Code that
2 meets all of the following conditions:

3 (1) The units are deed restricted to very low income
4 households and are continuously available to or occupied
5 by very low income households at rents that do not
6 exceed those prescribed by Section 50053, except that for
7 the purposes of this subdivision, very low income shall be
8 defined as 30 percent times 30 percent of the median
9 income adjusted for family size appropriate for the unit.

10 (2) The number of dedicated residential units must
11 equal or exceed the number of units supported by the
12 reimbursed school impact fees determined by the
13 average per unit development cost.

14 (3) The dedicated residential units are regulated by an
15 appropriate local or state agency for a minimum of 30
16 years.

17 (4) A building permit for an eligible residential unit in
18 the development project is issued by the local agency on
19 or after January 1, 1999.

20 51452. (a) The School Facilities Fee Assistance Fund
21 is hereby established in the State Treasury and,
22 notwithstanding Section 13340 of the Government Code,
23 is continuously appropriated to the Department of
24 General Services for the purposes of this chapter.

25 (b) The amount of one hundred sixty million dollars
26 (\$160,000,000) is hereby appropriated from the General
27 Fund to the School Facilities Fee Assistance Fund for
28 administrative costs and to make payments to purchasers
29 of newly constructed residential structures and housing
30 sponsors of housing developments pursuant to this
31 chapter from that fund for a period of four years as
32 follows:

33 (1) Twenty-eight million dollars (\$28,000,000) shall be
34 available for the program set forth in paragraph (1) of
35 subdivision (a) of Section 51451, except that any funds not
36 expended within 18 months shall be available for
37 programs set forth in paragraphs (2) and (3) of
38 subdivision (a) of Section 51451.



1 (2) Twenty-eight million dollars (\$28,000,000) shall be
2 available for the program set forth in paragraph (2) of
3 subdivision (a) of Section 51451.

4 (3) Fifty-two million dollars (\$52,000,000) shall be
5 available for the program set forth in paragraph (3) of
6 subdivision (a) of Section 51451.

7 (4) Fifty-two million dollars (\$52,000,000) shall be
8 available for the program set forth in subdivision (b) of
9 Section 51451.

10 51453. Twenty-five percent of the funds available in
11 each of the programs pursuant to Section 51452 shall be
12 allocated in each of the four fiscal years, commencing
13 with the 1998–99 fiscal year.

14 51454. The Legislative Analyst's Office shall submit a
15 report to the Legislature and the Governor no later than
16 January 1, 2001, regarding the effectiveness of the
17 programs established pursuant to this chapter.

18 51455. This chapter shall remain in effect only until
19 January 1, 2002, and as of that date is repealed.

20 ~~SEC. 26.~~

21 SEC. 27. The Legislature declares that it is the policy
22 of the state to exercise prudence in undertaking the sale
23 of bonds otherwise authorized for sale by the act adding
24 this section. In this regard, the Legislature encourages
25 undertaking the sale of bonds in a manner not to exceed
26 debt service to General Fund revenue ratio of 6 percent
27 unless the sale is in the best fiscal interest of the state.

28 ~~SEC. 27.~~

29 SEC. 28. Notwithstanding Section 17610 of the
30 Government Code, if the Commission on State Mandates
31 determines that this act contains costs mandated by the
32 state, reimbursement to local agencies and school
33 districts for those costs shall be made pursuant to Part 7
34 (commencing with Section 17500) of Division 4 of Title
35 2 of the Government Code. If the statewide cost of the
36 claim for reimbursement does not exceed one million
37 dollars (\$1,000,000), reimbursement shall be made from
38 the State Mandates Claims Fund.

39 Notwithstanding Section 17580 of the Government
40 Code, unless otherwise specified, the provisions of this act



1 shall become operative on the same date that the act
2 takes effect pursuant to the California Constitution.

3 ~~SEC. 28.~~

4 *SEC. 29.* Section 16 of this act shall become effective
5 upon the approval by the voters, at the November 3, 1998,
6 statewide general election, of the Class Size Reduction
7 Kindergarten-University Public Education Facilities
8 Bond Act of 1998, as set forth in Section 16 of this act.

9 ~~SEC. 29.~~

10 *SEC. 30.* (a) Notwithstanding any other provision of
11 law, with respect to the Class Size Reduction
12 Kindergarten-University Public Education Facilities
13 Bond Act of 1998, all ballots of the November 3, 1998,
14 statewide general election shall have printed thereon and
15 in a square thereof, exclusively the words: "Class Size
16 Reduction Kindergarten-University Public Education
17 Facilities Bond Act of 1998" and in the same square under
18 those words, the following in 8-point type: "This nine
19 ~~billion dollar (\$9,000,000,000) bond issue will provide~~
20 ~~substantial funding for facilities to reduce class size in~~
21 ~~primary grades, to accommodate student enrollment~~
22 ~~growth and to relieve overcrowding in K-12 schools, and~~
23 ~~provide funds to repair schools, and provide funds for~~
24 ~~wiring and cabling for educational technology to prepare~~
25 ~~California's students for the 21st century. Funds will also~~
26 ~~be used to upgrade and build new classrooms in~~
27 ~~community colleges, the California State University, and~~
28 ~~the University of California. These bonds may be used~~
29 ~~only for approved school construction projects."~~ *billion*
30 *two hundred million dollar (\$9,200,000,000) bond issue*
31 *will provide funding for necessary education facilities for*
32 *at least four years for class size reduction, to relieve*
33 *overcrowding and accommodate student enrollment*
34 *growth and to repair older schools and for wiring and*
35 *cabling for education technology. Funds will also be used*
36 *to upgrade and build new classrooms in community*
37 *colleges, the California State University, and the*
38 *University of California. These bonds may be used only*
39 *for eligible construction projects."* Opposite the square,
40 there shall be left spaces in which the voters may place a



1 cross in the manner required by law to indicate whether
2 they vote for or against the act.

3 (b) Notwithstanding Sections 13247 and 13281 of the
4 Elections Code, the language in subdivision (a) shall be
5 the only language included in the ballot label for the
6 condensed statement of the ballot title, and the Attorney
7 General shall not supplement, subtract from, or revise
8 that language, except that the Attorney General may
9 include the financial impact summary prepared pursuant
10 to Section 9087 of the Elections Code and Section 88003
11 of the Government Code. The ballot label is the
12 condensed statement of the ballot title and the financial
13 impact summary.

14 (c) Where the voting in the election is done by means
15 of voting machines used pursuant to law in a manner that
16 carries out the intent of this section, the use of the voting
17 machines and the expression of the voters' choice by
18 means thereof are in compliance with this section.

19 ~~SEC. 30.~~

20 ~~SEC. 31.~~ Section 1, ~~Section 3,~~ ~~Sections 5 to 15,~~
21 ~~inclusive, and Sections 17 3, Section 12, and Section 18 to~~
22 ~~27 28,~~ inclusive, of this act shall not become operative
23 before November 4, 1998, and on that date shall become
24 operative only if the Class Size Reduction
25 Kindergarten-University Public Education Facilities
26 Bond Act of 1998 is approved by the voters at the
27 November 3, 1998, statewide general election.

28 ~~SEC. 31.~~

29 ~~SEC. 32.~~ 32. If the Class Size Reduction
30 Kindergarten-University Public Education Facilities
31 Bond Act of 1998 is not approved by the voters at the
32 November 3, 1998, statewide general election, Section
33 17009.3 of the Education Code, as added by Section 2 of,
34 and Chapter 12.5 (commencing with Section 17070.10) of
35 Part 10 of the Education Code, as added by Section 4 of,
36 this act shall become inoperative on November 4, 1998.

37 ~~SEC. 32.~~

38 ~~SEC. 33.~~ 33. Notwithstanding the requirements of
39 Sections 9040, 9043, 9044, 9061, and 9082 of the Elections
40 Code or any other provision of law, the Secretary of State



1 shall submit Section 16 of this act to the voters at the
2 November 3, 1998, statewide general election.

3 ~~SEC. 33.~~

4 *SEC. 34. Notwithstanding Section 13115 of the*
5 *Elections Code, Section 16 of this act shall be placed first*
6 *on the ballot for the November 3, 1998, statewide general*
7 *election, and shall be designated as Proposition 1A.*

8 *SEC. 35. Notwithstanding Section 13282 of the*
9 *Elections Code, the public shall be permitted to examine*
10 *the condensed statement of the ballot title regarding the*
11 *measure set forth in Section 16 of this act for not more*
12 *than eight days, and the financial impact statement from*
13 *the time it is received by the Secretary of State until the*
14 *end of the eight days. Any voter may seek a writ of*
15 *mandate for the purpose of requiring any statement of*
16 *the ballot title, or portion thereof, to be amended or*
17 *deleted only within that eight-day period.*

18 ~~SEC. 34.~~

19 *SEC. 36. The Secretary of State shall include, in the*
20 *ballot pamphlets mailed pursuant to Section 9094 of the*
21 *Elections Code, the information specified in Section 9084*
22 *of the Elections Code regarding the bond act contained*
23 *in Section 16 of this act. If that inclusion is not possible, the*
24 *Secretary of State shall publish a supplemental ballot*
25 *pamphlet regarding this act to be mailed with the ballot*
26 *pamphlet. If the supplemental ballot pamphlet cannot be*
27 *mailed with the ballot pamphlet, the supplemental ballot*
28 *pamphlet shall be mailed separately.*

29 ~~SEC. 35.~~

30 *SEC. 37. This act is an urgency statute necessary for*
31 *the immediate preservation of the public peace, health,*
32 *or safety within the meaning of Article IV of the*
33 *Constitution and shall go into immediate effect. The facts*
34 *constituting the necessity are:*

35 *In order to provide adequate school facilities to house*
36 *the growing pupil population attending the California*
37 *schools, to facilitate class size reduction, to renovate*
38 *existing facilities, to provide for joint-use facilities, and to*
39 *provide adequate higher education facilities to*



- 1 accommodate the growing number of students, it is
- 2 necessary that this act take effect immediately.

O

